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Sub-Saharan Africa SUPPLEMENT

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*** Southern Africa Economic Cooperation Viewed**

*** Trade With RSA Increasing**

34000148 Johannesburg BUSINESS DAY in English
26 Sep 89 p 21

[Article by Susan Ramwell: "Pragmatism Supersedes Politics?"]

[Text] Trade between South Africa [SA] and its neighbours increased by about R600m [600 million rand] in 1988, according to estimates. Fostered by a more relaxed political environment, trends suggest continued momentum.

New plans for SA development programmes and investment in southern Africa have been stimulated by hopes of peace in Mozambique and Angola as these countries emerge from years of civil war.

With greater contact possible, intra-regional commercial ties are likely to grow rapidly, with the possible exception of Angola, whose government at this stage still forbids trade with SA.

Mozambique, on the other hand, if peace prevails, would soon become one of SA's top five trading partners in Africa.

In nine years of existence, the member countries of the Southern African Development Co-ordinating Conference, SADCC, have made little real progress in increasing self-sufficiency and reducing economic dependence on SA.

Africa accounts for only about 4 percent of SA's total export revenue, and provides only 2 percent of SA's imports. But higher levels of trade, and greater development of regional infrastructure is a goal with inestimable benefits for the entire sub-continent.

To SA, a thriving north would open markets for goods, and a share through joint capital investment projects in a wealth of natural resources from minerals to the competitively priced energy of hydro-electric power.

For southern Africa it is SA that presents the most logical and most economic source of the skills and knowledge these countries now recognise to be vital for the development of efficient and viable industrial, agricultural, and environmental infrastructure.

SA, so often dubbed the economic powerhouse of the region, is perhaps more importantly the only storehouse of technical know-how relevant to African conditions.

This description of logical economic interdependence is true of the last 20 years. What is new is black Africa's readiness to explore these options in a new mood of pragmatism, and with a new hope in free enterprise.

There are a number of recent milestones. As regards Mocambique, talks between SA ministers and President

Joaquim Chissano were held in Maputo on July 19, signalling a more open attitude towards SA.

On July 31, it was announced that the ruling Frelimo party had made a major shift away from Marxism-Leninism, approving plans for a mixed economy in which private enterprise would play a major role.

This creates many new opportunities for private investment from SA in commerce, tourism and other activities.

Moves towards a settlement in Angola and Cuban military withdrawal have aroused hopes that this oil-rich country may begin to rebuild its economy with new opportunities for foreign investment.

Richard Cornwell, head of the Africa Institute's information division, says: "There is no doubt private enterprise, and foreign capital in particular, will be able to identify many sectors of the economy where they can engage in profitable business.

"But at present the security and political impediments loom large. Luanda is likely to change its ways slowly. Likewise, the economy will only mend gradually, for the damage has been deep and widespread."

Open Question

The implementation of UN resolution 435 in Namibia, "Africa's last remaining colony" and the fifth most important mining country on the continent, leaves future investment potential an open question but without marked pessimism.

Investors and small business in the country will probably wait to judge post-election economic legislation. A certain amount of confidence is suggested by almost R200-million of new commercial property investment currently under construction or on the drawing board.

Dr Erich Leistner, director of the Africa Institute, comments in a recent bulletin on Namibia that "the experience of Mocambique and Angola has taught African socialists that economic disaster is inevitable if their policies result in the precipitate flight of white capital and skills.

"Present indications are that no significant nationalisation of private companies and assets is to be expected soon after a Swapo government comes to power.

"As regards mining (which furnishes approximately 30 percent of the country's GDP [gross domestic product], any government, regardless of its political persuasion, is likely to seek a share. The transitional government of national unity has already acquired 50.4 percent of the voting interest in Rossing Uranium."

Another significant development is a growing number of SADCC member countries who now officially support future trade opportunities with South Africa.

SA has trade missions in five of the SADCC countries.

Zambia's President Kenneth Kaunda is the most recent to have held official talks with both SA chambers of commerce and SA politicians.

At the Africa Institute's AGM last month, chairman Prof P. Smit said: "More than any other year since 1960, the past year has been marked by developments which hold the promise of ultimately bringing peace and stability to southern Africa."

Spokesmen from such quarters as the Development Bank of Southern Africa, the SA Department of Foreign Affairs and the SA Foreign Trade Organisation's Africa division all say there is a new mood of pragmatism and realism in the attitude of the Frontline states to talking to SA on economic co-operation and development.

Harder Line

There may be some keys to this trend—including the harder line being taken by the World Bank and the IMF towards Third World lending.

John Mare, a deputy director of the Department of Foreign Affairs, comments: "When the EEC [European Economic Community] meets in 1992 to formally open up Europe as a trading area, African countries won't get continued favourable terms of trade. Rapprochement between East and West Europe means they will increasingly seek economic trade with each other rather than Africa."

Safto's Paul Runge agrees: "There is a real fear among African leaders about 1992. There is a lot of insecurity, and they have great expectations of South Africa."

If correct, these predictions mean SA will see rapidly growing demand for investment, ideas, new products and, more than anything else, for skills and training.

Considering that SA has too little training and skilled manpower for its own needs, the onus could be on new, faster and simpler methods of training and greater preparedness in the SA private sector to hosting African students for training on the job.

AECI MD Mike Sander says: "There's a limit to what you can do in training relatively uneducated and unskilled people. Even a university graduate has to learn practical skills at a given pace."

"Science-based technology and practical education have never been passed on to Africa and we have to redress the gap."

"Nowhere in Southern Africa at this stage is there a sufficient education system to address those needs. We need a new approach that places more emphasis on science and on mechanical skills. Industrial careers have to be sold to make people aspire to them."

"South Africa itself is only part of the way up the learning curve. Africa is right at the beginning. But the

Southern African region is so rich in resources, if economic co-operation was really developed, it would unlock tremendous potential."

* Boost for Agricultural Productivity

34000148 Johannesburg BUSINESS DAY in English
26 Sep 89 p 21

[Article by Susan Ramwell: "Agricultural Productivity Needs Boost"]

[Text] In common with the rest of the Third World, Africa needs higher levels of agricultural productivity to provide an adequate food supply for its increasing population and to generate greater export earnings to fund industrialisation.

This is one of the main findings of a study by Peter Lawrence and Ian Livingstone made available to BUSINESS DAY by the Africa Institute.

Agriculture, which provides between 30 percent and 60 percent of GDP [gross domestic product] in most African countries, amounts to only about 15 percent in the southern African region.

The study notes that much of the failure of African countries to remain self-sufficient in food production can be traced to government policies of encouraging export cash crop production, principally by setting relatively lower producer prices for domestic food crops.

"For a majority of African countries, agricultural growth rates have been lower and in some cases negative in the last decade than in the previous one, and lower in both cases than industrial growth."

"Self-sufficiency would obviate the need for expensive food imports, save valuable foreign exchange, this itself allowing for imports of capital goods for further industrialisation."

This should not mean the neglect of export cash crops, which are still the continent's main source of hard currency.

The study says there are new opportunities for strengthening the relationship between agriculture and industry in the development process—in the domestic manufacture of agricultural inputs and of industries to process agricultural raw materials.

* Need for Free Transport Market

34000148 Johannesburg BUSINESS DAY in English
26 Sep 89 p 22

[Article by Susan Ramwell: "Free Transport Market a Necessary Foundation"]

[Text] The countries of southern Africa have to sit down and discuss a completely free transport market in the same way the EC did to pave the way for 1992.

This is the view of Unitrans CE Eduardo Gutierrez-Garcia.

Transport and communications are the necessary foundation for all infrastructure vital to economic co-operation and development in Southern Africa and such discussions could lead to an open transport market unhampered by permits and problems, he says.

"It is a prerequisite. Without it, other development aid is often wasted. Take international food aid programmes to Africa as an example. If the food can't be moved, it spoils in the warehouse.

"Politicians and economists often underrate the importance of the transport infrastructure—governments don't always realise the implications of allowing the systems to fail. What constitutes a good transport system is more than roads and railways and ports—it's trained people, maintenance depots en route and established relationships along the way."

Regarding the politically motivated SADCC [Southern African Development Coordinating Conference] stated ideal of reducing dependence on SA's transport routes, Garcia says: "You can't be nationalistic when you don't have the resources."

This is reminiscent of State President F. W. de Klerk's statements that "necessity brings people to the negotiating table" fostering more co-operative attitudes towards SA by neighbours such as Zambia.

Zambian President Kenneth Kaunda's recent response to talks with an SA [South Africa] business delegation—that training and skills resources were perhaps more important to his country than capital—shows to what extent the new pragmatism is sweeping southern Africa.

The signs for greater economic co-operation are very positive. However, says Garcia, "a political settlement in South Africa is very necessary. Although there are wonderful opportunities for trade and investment, these have repeatedly been knocked down like a pack of cards by closure of borders for political reasons and by military activity."

Nevertheless, he says, even if this was achieved, there would be no overnight solution to the region's transport problems. Given a positive growth scenario for trade, time and gradual rehabilitation of infrastructure will improve the region, says Garcia.

"The transport managements of those countries have to go through their own learning curve."

Unitrans operates transport services which extend to Namibia, Botswana, Swaziland, Zimbabwe, Malawi, Zaire and Zambia—mainly through the presence of associated companies in those countries.

As of April last year, the company acquired full ownership of Unitrans Swazi Holdings and reported that as this company's activities were closely integrated with its

operations in southern Africa, this would create new opportunities for expansion.

Unitrans Botswana provides regular services to other southern African countries, conveying fuel, agricultural products and general goods.

Unitrans' relationships with southern African trading partners are mainly channeled through associate companies of their London-based parent company. According to Garcia, the demand created by intra-regional trade more than justifies expansion of its own services.

"Our dream is to develop a road transport network throughout the region. A company of our size should be there and we can contribute greatly to development. At present the situation is very unsatisfactory," says Garcia of southern Africa's main road links.

* BNDC Creates Jobs

34000148 Johannesburg *BUSINESS DAY* in English
26 Sep 89 p 22

[Article by Susan Ramwell: "BNDC Creates Jobs for 38,000"]

[Text] When the Bophuthatswana National Development Corporation [BNDC] took over from the Corporation of Economic Development in 1977, the organisation had created work for 8,500 people. Today the figure tops 38,000.

In 1977, Bophuthatswana had 81 factories—today it has more than 300. BNDC managing director Johan Maree says: The BNDC is entirely self-sufficient and is proud of what has been achieved so far.

The BNDC's funds are from shareholders—R272 million (68 percent) and long-term loans of R127 million (32 percent), including R31m from foreign loans. A further R144m was loaned by the DBSA for infrastructural and factory developments at Hammanskraal, Ga-Rankuwa, Mogwase, and Seloseshu.

The organisation is placing a high priority on small business development and training traders and small industrialists. Says senior general manager Gill Maleka: "We have allocated R1m to establish a business and management centre at the University of Bophuthatswana."

In 1983, the BNDC established a company called Yabeng to buy shares in Bophuthatswana companies to give Bophuthatswana citizens a chance to participate in their country's growth.

Yabeng was listed on the JSE in August 1988 with 14-million shares at a price of 90c. Today, 48.8-million shares at a price of around 240c.

*** Tackling Poverty**

34000148 Johannesburg *BUSINESS DAY* in English
26 Sep 89 p 23

[Article by Susan Ramwell: "Policies Fail To Tackle SA's Serious Poverty"]

[Text] Development and decentralisation policies to stimulate less developed areas in both the Republic and the self-governing and independent states had failed to tackle the problems of "serious poverty", according to a study conducted by the Development Bank of Southern Africa DBSA in 1985.

After two decades of development efforts, the gap between metropolitan areas and poverty-stricken less-developed areas is even wider than before with 80 percent of families living in these "outer peripheries" earning less than the minimum subsistence income.

This population is still dependent on income earned in the metropolitan core areas and this dependence increased over the 10 years to 1985.

Population

There is still a lack of access to basic services such as health, fresh water, education, transport and communication—in most cases to an even greater extent than previously through population growth.

The study notes that "the high incidence of malnutrition and nutritional diseases and the infant mortality rate of 130 per 1,000 births in Transkei, amongst the highest in Africa, all bear further witness to the extent of the poverty that exists in these areas."

Sustained population increases in the rural areas have over-extended agricultural resources with the result that per capita agricultural production has declined.

The most serious development needs in the SADA [expansion unknown] region are believed to be in Transkei, Ciskei, and in the southern areas of the eastern Cape, followed by northern Natal and Kwa-Zulu, northern Transvaal, Venda and parts of Lebowa and Gazankulu.

According to the study, such "serious imbalances in the form of enormous personal disparities" reflect not only the pattern of growth in the modern sector, but the effects of socio-political policies adopted by the authorities—particularly migration, settlement and "controls on the locational choices of blacks" which prevent inflow and outflow both of labour and population.

"Economic activities and the population are more widely dispersed than they would have been had economic forces alone dictated the spatial patterns," conclude the authors.

"Despite the resources allocated to the reduction of spatial imbalances over the past 20 years, the general pattern has remained largely unchanged. In fact, the

most significant change has been the rise in the share of population living in outer peripheral areas without a commensurate rise in its share of gross geographic product or income.

"It must be concluded that in the past, regional policy—given the extent of poverty, unemployment and under-employment—has made no significant contribution to the development of the SADA in general."

The paper attributes the failure—even of the most recently adopted regional policy and decentralisation incentives—to:

- political motives which led to the identification of too many, often badly situated "growth points";
- contradictory effects on regional equity of migration and settlement policies affecting black people; and
- an inadequate conceptual framework.

The 1982 White Paper on industrial development policy, while it is acknowledged as more economically realistic than previous policies, is found still to fall far short of what is required of an effective regional development policy.

New thinking internationally on development of LDC's—less developed countries—demands a new approach.

There has been increasing realisation that policies adopted in the past two decades encouraged economic growth but did not succeed in bringing about social development.

In newly industrialised countries such as Mexico, Brazil and India, there is still a highly uneven distribution of income and economic activity, with a "trickle-up instead of a trickle-down effect", suggesting that industrial growth can in fact increase polarisation between rich and poor.

The "dependency theory" that the economies of LDCs are dominated and exploited by DCs and that there is a net transfer of resources from LDCs to stronger economies has relevance to both the SADA and the position of SA in the southern African region.

The writers of the DBSA study highlight some trade-offs of decentralisation and job creation. The existence of dualism in the economy means a natural outflow of labour from the least-developed regions, reducing their development potential even further.

On the other hand, while there is some logical economic reason for spatial concentration of economic activity, the dispersal of this may reduce productivity and growth overall.

Programs

Promoting the development of the less-developed sector is therefore no simple matter—many programmes will

have to be specially designed without readily available personnel and economic returns are likely to be uncertain at best.

The DBSA paper essentially calls for a new development approach, called the NDA. Saying that "it is increasingly clear that development cannot be narrowly focused on economic development alone", the NDA calls for a wider more "people-orientated" approach which puts "first things first" and starts with the satisfaction of basic needs.

The main thrust of development of less-developed areas should be firstly widening the distribution of food, shelter, health and protection; secondly the provision of jobs, education, income and national self-esteem, and, thirdly, expanding the range of economic and social choice.

According to the Geneva-based International Labour Office, ILO, achieving the NDA means a different approach for each situation and calls for concrete objectives such as achieving a specific production level of essential goods within a given time period, such as 20 years. The intention is to alter the pattern of growth and to increase the productivity of all people.

Reviewing South African policies in the light of this, it appears that there has been inadequate emphasis on both job-creation potential of projects and on the provision of basic needs.

On the agricultural side, the DBSA paper says that too much emphasis has gone on capital-intensive schemes while small scale, less-sophisticated labour-intensive projects faced resistance—in many cases because they are less prestigious and visible.

The types of industries attracted by decentralisation incentives have generated little indirect employment and income creation via the attraction of other economic activity.

This is ascribed to close links with suppliers and markets located elsewhere, the proximity of other urban centres and their limited impact on the size of the local consumer market.

There has been some success. Between 1960 and 1980 about 144,000 non-agricultural employment opportunities were created at an average direct cost per job of R10,000. But estimates are that these met less than 7.8 percent of the outer-peripheral regions' job-needs over the period.

The modern sector in SA is in fact increasingly unable to generate sufficient employment opportunities for the rapidly growing labour force. Unemployment is rising, as is the cost of job creation.

Capital

The average amount of fixed capital required per employee rose from R6,700 in 1960 to R14,000 in 1980 at constant 1975 prices, according to a study published in 1982.

The DBSA paper says the failure of the IDPs to develop as alternative growth poles points to the need for an alternative, more comprehensive strategy which takes greater cognizance of economic realities.

A more area-specific approach is called for appropriate to local conditions while ensuring compatibility between the activities of the more and less-developed sectors (avoiding out-competing local products).

If relocation is to enhance development, special measures are required as this is unlikely to occur automatically. The approach should involve direct measures to alleviate poverty and generally raise the quality of life. It should focus on raising productivity, and it should promote effective local participation.

Further, the study recommends that urbanisation may be a necessity of "people-orientated regional development", that this is presently occurring at a significant rate, and that "serious consideration of how and where best to accommodate these rural outflows is required".

Although the government's current industrial development policy is described as "more economically rational" than that which engineered the old homelands policies now known as multinational development, the authors of the DBSA paper believe that it does not capture the underlying principle of the NDA and cannot effect the required structural change necessary to alleviate unemployment and poverty in the SADA region.

* Botswana Partnership

34000148 Johannesburg *BUSINESS DAY* in English
26 Sep 89 p 23

[Article by Susan Ramwell: "Mutual Benefit in Botswana"]

[Text] An ideal example of mutual benefit to be gained by partners in a major industrial project is the soda ash manufacturing project under construction at the Sowa Pan in northern Botswana.

Partners in the venture are the Botswana Government and AECL, with its partners, Anglo American Corporation and De Beers Holdings.

These interests come together in Soda Ash Botswana Ltd, which holds the licence to exploit the mineral resources of the pan—natural sodium carbonate or soda ash.

SA [South Africa] industries will be the main customers for the plant's output and export markets will also be developed. The factory will include salt bagging facilities

adequate to meet the demand for both fine and coarse salt in Botswana, Zimbabwe, Zambia and for part of the needs of Malawi and Zaire.

The Botswana Government is providing infrastructure vital to the project—supply of water, housing, transport facilities and power generation. Power lines are being installed between Francistown and Sowa. The Botswana Railways is laying a branch line between Francistown and the site over a distance of 173 km.

AECI managing director Mike Sander says the cost to the Botswana Government of this infrastructure is easily offset against job creation and future tax earnings. The wages of Soda Ash Botswana employees will total about 6.5-million pula annually. The company itself will spend P30m annually on rail transport and coal.

The town of Sowa, initially consisting of 600 homes, will have a population of about 3,000, generating considerable trade and employment opportunities. It is expected to develop in a similar way to Selebi Pikwe but on a smaller scale.

Valuable

Other than the relatively small requirement for salt in Botswana, the rest of the 650,000 tons of salt expected to be produced every year will be exported, contributing a valuable source of foreign exchange to Botswana and improving its adverse balance of payments with South Africa.

The availability of power and rail along the route from Francistown to Dukwe could make feasible other projects or mines.

Says Sander: "Central Africa is short of salt. Salt is needed not just for industrial processes such as chlorine production but for human and animal nutrition."

The project will produce 300,000 tons of soda ash a year. The current world production totals 29-million tons a year, two thirds of which is produced chemically using lime and salt.

When the project becomes operational in the first quarter of 1991, Botswana will be one of only four countries in the world producing soda ash from natural carbonate deposits.

What makes Soda Ash Botswana an exemplary venture is not the fact of its initial development as much as the ongoing learning curve and technology transfer that AECI is determined to bring about.

Says Sander: "Any country can 'buy' a project and hire contractors to build it. But unless that country itself possesses the ability, the skills and the technological know-how to run it, what has been achieved?

"Many engineering projects are firsts, and have to be specially adapted to conditions encountered during construction. The learning curve happens as the project is being built.

"We are bringing in the engineering expertise and contract management skills, but a large proportion of the people who will work on the project will be Botswana. We're happy to develop their skills and as time passes we will attempt to grow those people to build up a pool.

Built Up

"We expect to reach target efficiencies by 1996 and by then we would expect to have developed a very well-skilled team of employees."

In general, Sander says that the skills shortage facing the sub-continent is one built up over 100 years rather than 20 years and believes it will take as long a time to redress through a new approach to grassroots education.

He agrees with the view that the only way to bring in the necessary skills for southern African development in the future will be to bring in overseas contractors to work in tandem with SA.

* DBSA Role

34000148 Johannesburg BUSINESS DAY in English
26 Sep 89 p 24

[Article by Susan Ramwell: "Step at a Time Is How Bank Looks to the Future"]

[Tex.] The Development Bank of Southern Africa, which became operational in 1984, is the major agent for multilateral co-operation and development in the region spanning South Africa [SA]. This includes the six self-governing states of Lebowa, Gazankulu, Qwaqwa, Kwa-Zulu, KwaNdebele and Ka-Ngwane and the TBVC countries (Transkei, Bophuthatswana, Venda and Ciskei).

The SATBVC countries are the original shareholders of the bank, while provision is made for membership of any independent state in South Africa.

The bank's borrowers are both governmental and non-governmental development agencies in southern Africa and, after initially concentrating mainly on supporting development in the TBVC countries and self-governing territories, the bank has become increasingly involved in support for development in the less-developed urban areas of SA.

Involved

The bank is now also involved in neighbouring countries such as Lesotho and Mozambique.

Projects in which the bank is involved include urban development in Alexandra, Bisho, Daveyton and

Vosloorust, the Lesotho Highlands Water Project, various farm support projects and industrial, human resource and small business development projects in the eight development regions.

In the five-year period to June this year, the estimated total investment value of bank-supported projects amounted to R8bn, compared with R2bn in its first year of operation.

The number of projects covered by this investment is 1,175, compared with just 272 projects in 1984.

During the past financial year 152 projects, representing a financial commitment by the bank of R1bn, were approved.

The cumulative total financial contribution committed by the bank to projects over the first five years is almost R4bn.

Although by virtue of the size of its economy, SA must be the major contributor to the DBSA's Development Fund, the bank guards its autonomy as a financial and apolitical decision maker.

None of the member country governments have any say in the day-to-day running of affairs, and its board has a strong private sector representation.

In addition, the bank is happy to undertake development aid in conjunction with other world development agencies and is raising about R500m on local and foreign capital markets to supplement its funding resources.

Loan servicing by borrowers does form a significant part of the bank's cash flow. The operating surplus for the current financial year of R54m indicated its ability to cover recurrent expenditure from operating income.

DBSA chief executive Dr Simon Brand is hopeful of a gradual increase in infrastructural development programmes for the whole of the southern African region but emphasises that this has to be taken a step at a time.

He does not underestimate the extent of distrust among lesser developed countries in the region towards South Africa with its economic strength.

Power Play

"Fears of political and economic power play are true in any economic grouping of countries. Canada, for example, fears the US. No formal 'common market' can work if this is the case.

"The answer is to avoid taking a total view. Instead, we have to take our place with other development agencies on a piecemeal basis on individual projects—on the Maputo Corridor development, for example. There need be no umbrella organisation.

"The South African Customs Union involving the BLS countries has been a relatively successful example of co-operation in the region. But the formula could probably not be extended.

"Some time in the future, given greater political stability, there could perhaps be a development bank which could serve the entire region—not necessarily this one. [quotation marks as published]

However, as an institution with an important part in the region's future, the DBSA certainly looks beyond the existing status quo.

"In general terms, we see agricultural development as an alternative to decentralisation of industry in many regions.

Infrastructure

"Financing infrastructure such as roads, electrification and so on is important to our programme of development but we try not to extend capacity too far ahead of the industrial or other economic development that goes with it.

"We don't want to get our borrowers into unprofitable situations, and building infrastructure 20 years in advance can easily create a white elephant.

"We prefer to look at projects in phases. In the early stages, a dirt road may do until more users come and the traffic demands the tarred road.

"Development in an almost totally undeveloped area has to be realistic. A tap in every home is a wonderful ideal, but sometimes the starting point has to be a tap in every village.

"A point worth making is that many small projects may have a wider development impact than a few really big ones.

"There is a tremendous need for development in the DBSA's present area of activity in SA's lesser developed areas, as well as in the self-governing territories. There is no shortage of work to be done here so we should be a little careful before we bill ourselves as the saviours of the rest of Africa."

* Eskom's Vision

34000148 Johannesburg BUSINESS DAY in English
26 Sep 89 p 24

[Article by Susan Ramwell: "Eskom's Vision of Single Power Grid"]

[Text] South Africa [SA] has a total installed electricity generating capacity of 28,835 megawatts—but that potentially generated by hydropower is only 540 MW, compared with Mozambique's Cahora Bassa hydropower capacity of 2,164 MW and Zambia's 1,670 MW.

These statistics come from the Development Bank of Southern Africa in conjunction with the Africa Institute.

It is well known that Zaire could potentially be a rich resource of cost-efficient hydro-electric power if such a development project could be undertaken.

There are clearly great opportunities for energy co-operation between the countries of southern Africa for the good of the continent as a whole.

Such a level of co-operation may be a long way off, but Eskom, which supplies 97 percent of all electricity consumed in SA, has an inspiring vision of what could be achieved.

In a statement issued for this survey of development, the organisation states: "It is Eskom's view that the lack of useable electrical power is one of the major factors holding back growth in southern Africa. All the other resources are there—abundant labour, minerals and access to technology.

"Eskom's vision is of a single electricity grid connecting all the countries in the region. Those countries with strong-flowing rivers would be assisted to build huge hydro-electric schemes. Those with coal could build coal-fired power stations. Both would sell power to consumer countries, thus gaining much-needed foreign exchange and spinoff electricity to power new local industry.

"Neighbouring countries would be able to buy power to boost their own industrialisation programmes. The benefit to SA as a buyer of electricity would be threefold: firstly, we could stop burning valuable coal and use it for industrial raw material.

"Secondly, we would reduce the air quality problems over the eastern Transvaal highveld which are currently in the news.

"Thirdly, the improved level of cross-border communication which would result would have spinoff benefits such as reduced tensions, increased trade and improved co-operation in other spheres.

"Technically, such a vision is achievable. Eskom already has experience with high-power transmission over long distances and at high altitudes. Economically, the proposal would be sympathetically viewed by international financiers if Eskom undertook to project-manage it.

"Socially, the idea would have positive benefits for all the peoples of southern Africa. It is only on the political front that progress needs to be made before it becomes reality."

* Solutions to Transport

34000148 Johannesburg BUSINESS DAY in English
26 Sep 89 p 25

[Article by Susan Ramwell: "Transport—No Quick Solutions"]

[Text] SA [South Africa] ports and transport routes are vital to southern Africa. But SA assistance in management training and rehabilitation of "natural" transport routes will stimulate regional trade.

Since major disruptions to Southern African transport routes began during the sixties with political upheaval, a mass exodus of skilled labour and management and economic problems, the rate of regional progress has been one step forward and two steps back.

Transport and communications is one of 11 areas targeted for inter-regional co-operation by the countries which formed the SADCC (Southern African Development Co-ordination Conference) in 1980.

The organisation's transport commission in 1988 listed 192 projects valued at US\$4.3bn, of which just 39 percent were funded and in line for implementation.

The main regional rail transport routes towards the most potentially viable ports include the Benguela rail line linking Angola and Zaire; the Tazara line, completed with Chinese funding and manpower in 1975 which links Lusaka with Dar es Salaam in Tanzania; the Nacala line, important to both Zimbabwe and Malawi; and one of the most important routes, the Beira Corridor, linking SA, Zimbabwe and Mozambique through the port of Beira.

There is also the direct line between Maputo and Zimbabwe through Chicualacuala, known as the Limpopo line.

But this is no Cape to Cairo route. According to Tom Kennedy, a transport economist and author of a study on the region, the SA to Maputo line suffers insurgency attacks.

The Beira Corridor—one of the SADCC's most successful projects—functions only during daylight. The Nacala line is virtually closed because of recurrent attacks which include removal of track.

The Maputo to Chicualacuala line has for most of the past two years been closed to through traffic for security reasons—the same problem that has consistently blighted rehabilitation programmes.

Inefficiency

Dar es Salaam suffers operational inefficiency, a lack of handling equipment and weak port supervision resulting in a great deal of pilferage, particularly theft of and damage to imports.

It has earned a reputation as a port that can move exports reasonably well, but to be avoided for handling valuable imports.

The Tazara rail line is single track, and operates an average of 3.5 freight trains and one passenger train a

day. Tanzanian sources say the road system is crumbling, in some cases cutting off parts of the country during the production season resulting in crop pile-ups and spoilage.

South African transport routes and harbours are undoubtedly the most efficient and serviceable in the southern African region.

Of 14 ports in the region, seven of them are located in South Africa and Namibia.

According to Kennedy, "If the SA border was to close to Malawi, the country would run out of fuel in two weeks and out of bread within three. The economy would come to a virtual standstill."

The heart of Zaire's economy is the movement of copper and other minerals out of Shaba province in the south-east to ports for export.

The choice of transport routes is either the all-rail route to SA ports of East London or Durban, or to the port of Matadi on the west coast, which involves rail, river and rail again.

The difference in time is as long as two-and-a-half months via Matadi compared to two-to-three weeks via SA.

Zambia, like Malawi and Botswana, is a landlocked country and depends on sea routes that go through neighbouring countries. Zambian railways, desperate for locomotives, spares and track repairs, has been described as "suicide track".

Since independence in 1964, no major investment has been made on rail equipment. The rails are on sand, sleepers have deteriorated, signal circuits are constantly broken because wires are cut for use by small industry to make bracelets and wire hangers. The trains move so slowly they are sitting ducks for robbers.

It is this level of disrepair, and security risks, that have forced southern African countries, including the Frontline states, to use SA's ports and routes— notwithstanding political embarrassment.

Zimbabwe continues to attempt to avoid using SA routes at a cost of millions. And despite these efforts, the country is still very much dependent on SA routes.

From 1986 to 1987, 77 percent of its railed imports and 64 percent of exports went via SA. It has succeeded to reduce its goods traffic via SA by only 4 percent. More than half of National Zimbabwean Railways locomotives are out of commission, replaced by SA Transport Services locomotives on a loan that includes maintenance.

Hostages

The degree to which the region depends on SA resources—not only on transport routes but on transport equipment and maintenance—makes news abroad.

Describing central and southern African countries as "hostages of their geographic position", French magazine *JEUNE AFRIQUE* made "revelations" in February of SA goods easily available all over Africa—"from Dakar to Brazzaville, Lome or Lagos."

The February 1989 article wrote of SA goods camouflaged as products of the BLS countries (Botswana, Lesotho, Swaziland) or labelled of "unknown origin", of incognito Boeings with tell-tale "Maak vas jou sitplekgordel" signs on the interior, of similarly incognito passenger rail coaches with tell-tale Protea patterns on interior upholstery.

Is the picture one of a dependence dangerous to southern Africa as the SADCC seems to believe? SA transport officials and private enterprise eager to build markets for their products to the north are fully supportive of greater self-sufficiency for Frontline states. The impact of a viable and reliable transport and communications network for the region would certainly benefit all players.

Kennedy asks the question, can rehabilitation be successful? His study, published by the SA Institute of International Affairs in November 1988, answered positively.

Since then, with growing support for a cessation of hostilities in Mozambique and Angola, the likelihood of success is even greater.

Can a viable transport network for southern Africa displace dependency on SA? Kennedy says no.

Action Plan

"Southern African countries have only one long-term solution—additional technical assistance for both road and rail, possibly from SA transport experts. These countries must develop an action plan to address their own transport problems before the financial burden of doing so becomes any more onerous."

Kennedy notes that foreign aid programmes have often been of only short term help as equipment is provided but no maintenance or management skills and no infrastructure is developed.

Recognising this, the World Bank now insists that a properly designed and implemented maintenance programme exists before granting additional funds for equipment.

Kennedy also draws attention to the fact that not a single SADCC project is specifically directed towards the training of management staff. Colonial powers may have failed to leave a legacy of skills, but the problem has not been redressed in subsequent improvement programmes.

"If true co-operation is ever to be achieved, governments must look beyond their own self-interest. The region's

resources are limited—if each country jealously guards its own, no development will be possible,” Kennedy added.

* SAA Regional Cargo Up

34000148 Johannesburg *BUSINESS DAY* in English
26 Sep 89 p 25

[Article by Susan Ramwell: “SAA’s Regional Cargo Up 28 Percent”]

[Text] Regional traffic carried by SAA [South African Airways] between SA [South Africa] and neighbouring countries was up by 28 percent this year, according to CE Gert van der Veer.

The reason was the marked increase in regional trade. He said SAA flew to Lubumbashi in south Zaire once a week, and that since SAA had been granted landing rights in Abidjan two years ago, other opportunities were opening up even further north.

On co-operation and development in the region, Van der Veer said: “We work with all our neighbours on just two preconditions—that anything we do is economically feasible and that both parties must benefit—otherwise the co-operation would not last.

“This is the only way to build a solid foundation for the future. Africa is realising that it has to stand together. South Africa is the potential powerhouse for Africa. We are part of it, we can deliver the right products for the environment, reliably, and efficiently.

“With the easing of political relationships there are benefits to trade. Airlines are closely linked to trade, and SAA looks at the southern African continent as its market. The countries of the region may be competing with one another to some extent but by increasing traffic we all develop in the same way as Europe does.

“Look at the beauty of our combined tourist attractions such as Victoria Falls, and Botswana’s game parks. We are happy to assist the airlines of our neighbouring countries with equipment, maintenance and manpower because if we increase their capacities, we increase the market.”

SAA, as Africa’s largest airline, provided services for many international airlines with maintenance, spares and training.

The airline had a high degree of self-sufficiency (98 percent) in conducting its own maintenance. It had 3,500 maintenance staff at Jan Smuts Airport and about the only thing it didn’t do was turbine blade reconditioning, which was only done in two places in the world.

He said SAA had turned that situation to our advantage. The airline did maintenance for many international airlines serving this route—among them Lufthansa, which allowed only five airlines around the world to work on its aircraft. SAA provided this service to all European airlines serving Jan Smuts.

“We also provide training to many foreign airlines such as British Airways and El Al because we have flight simulators for almost all types of aircraft.”

SAA travelled to Nairobi and Mauritius to service foreign airlines. In addition, it provided services for “almost all countries in southern Africa but at present, only occasionally for Zambia and Zimbabwe”.

It had conducted all aircraft engine maintenance for Mocambique since the seventies, and given assistance in the BLS countries and in Malawi, he added.

* Moss gas Project

34000148 Johannesburg *BUSINESS DAY* in English
26 Sep 89 p 25

[Article by Susan Ramwell: “Moss gas a Magic Word for PE”]

[Text] The Moss gas project was the magic word for economic development in Port Elizabeth after the loss of Ford Motor Company’s vehicle manufacturing plant.

On hearing the “rumours of drilling rigs and gas fields”, PE businessmen began to look forward to what they could put into the project, says city development officer Andre Crous.

He says economic activity in the Port Elizabeth area is now booming, with projects worth over R150m under development or just completed. These include the R40m Moss gas earthworks contract recently completed, a new GPO building project worth R36m, the R10m City Lodge Hotel development and improvements to the Elizabeth Sun worth R3m. Federal Insurance is building a R6.5m office block.

Unispin and General Tyre are involved with developments worth R20m and R30m, respectively and Barlan Forms is spending R5.25m.

“Our industrial base is now a fairly broad one spanning glass manufacture, wool processing, motor components from stainless steel, tanning elephant hides, exporting pharmaceutical and medical goods and the building of drilling rigs.

“Our harbour is an ideal gateway to the rest of the world, while we are also well-equipped by road and rail to undertake delivery further north.”

Gabon

* Transportation, Production at Rabi-Kounga

90EF0029A Libreville JEUNE AFRIQUE ECONOMIE
in French Aug 89 pp 125-129

[Article: "Peaceful Days at Rabi-Kounga"]

[Excerpts] Seen from above, Rabi-Kounga looks like a narrow platform. The forest has been cleared over a 14x4 km area. To the south is the airport opened on 6 May 1988. A paved runway 1,300 meters long handles takeoffs and landings of light twins and the astonishing Fokker 27, which can carry a total weight of 19 tons.

However, to get Rabi-Kounga in production and bring in drilling and operating equipment, it was necessary to use Port-Gentil shipping lanes as far as the port of Mayonami, 396 km south. From that port base, equipment was hauled overland 52 km to N'Dogo Lagoon, where it was loaded onto a motorized barge for a 46-km trip to Koumaga. The last stage, 110-km long, was on heavy, specially equipped trucks. Over 600 km had to be covered to reach the Rabi-Kounga site.

With development of the site, it was necessary to open up a northern route in February 1988.

The port of Dianongo was built on the river 230 km from Port-Gentil. It became the terminal for three 45-meter-long barges carrying nine 12-meter trailers that would later be hooked to tractors for the 35-km trail to Rabi-Kounga. By the northern route, it took only 30 to 35 hours to travel the 265 km between Port-Gentil and the field.

In the final stage, the field will have 80 wells ranging from 950 to 1,100 km deep. Nearly 45 percent of these are now operational. The central station south of the deposit handles the collection of crude production from five secondary stations whose capacity is 35,000 barrels a day. Station A in the south is now active, Station B in the north was to begin operations in mid-August, Station C in the central region will be finished in September, Station D is in service, and station E in the north will be finished by the end of 1989. While awaiting start-up, a portable collection station is being set up.

Sophisticated in design, the stations require little intervention by personnel. A monitoring crew is on the job in the daytime and at night the stations are put on automatic. Within a year, all wells will be in operation. Rabi-Kounga will then be producing 5.5 million tons and 6 million by 1991.

Discovered in March 1985 on a Shell-Gabon permit in equal partnership with Elf-Gabon [Gasoline and Lubricants Company of France] and its parent company SNEA, the Rabi-Kounga field straddles the Sette Cama and Dianongo sections of the Ogooue permit. That permit was granted for 10 years in July 1987 and may be renewed for two 5-year periods. It will thus expire in

2007. Operation is in the hands of Shell-Gabon, operator (42.5 percent), ELF-Gabon (29.458 percent), SNEA (13.042 percent), and the Gabonese Government (15 percent). Going into production on 16 January 1989 (nearly 4 months ahead of the initial schedule), the field now produces some 65,000 barrels a day or an annual production of some 3.5 to 4 million tons. Maximum production will be reached during the second quarter of 1990.

The field is one of the giants of the African Continent: reserves totaling 157 million tons, 58 million of which can be extracted. A compression station will be set up in 1990 to reinject gas in order to "push" production.

Some 42.5 percent (Shell-Gabon portion) is taken out by the southern Rabi-Gamba pipeline. Production headed for ELF-Gabon and the Gabonese Government's share (57.5 percent of all production) are carried by the northern pipeline to the ELF terminal at Cap-Lopez some 238 km away. A total of 522 million and 763 million French francs were invested to build these two facilities. An additional 345 million French francs were needed to evaluate the field, plus another 1,692,000,000 for development. Rabi-Kounga thus represents a total cost (1987 prices) of over 3,322,000,000 French francs.

Oil extracted from Rabi-Kounga is no ordinary crude. While it does present the advantage of a very low sulfur content, it, nevertheless, contains much paraffin (15 to 16 percent). In order to be shipped, stored, and hauled, it must, therefore, be constantly heated. Above a temperature of 30 degrees, it liquefies and remains in that state for 2 to 4 days. From well exits to the terminal, heaters (furnaces in this case) are, therefore, set up in order to ensure a better flow. In addition, specially equipped tankers have to be used to transport the oil with a tank heating system. Another disadvantage: For these very reasons, "Rabi-Kounga" crude can only be processed by the refineries set up on the coast.

On site, this feature makes it frequently necessary (every 2 to 3 days) to scrape transport lines to clean out paraffin buildup. The same is true of drilling wells, where "Christmas trees" are specially equipped to clean out paraffin.

For Shell-Gabon, being the discoverer and operator of Rabi-Kounga is a windfall. Total production of its fields fell from 25,400 barrels a day in 1986 to 23,300 in 1987 and 20,800 in 1988. At the Gamba/Ivinga and Lucina fields, production estimates for 1989 are only 17,000 barrels. Thirty years after its arrival in Gabon in 1959, Shell was, therefore, on the brink of having to pack its bags if no discovery were made.

Rabi-Kounga is, therefore, a significant boost for the firm, which is making a substantial effort: Operating expenditures rose 11 percent in 1988 to a total 12.1 billion CFA francs, mainly because of expanded personnel (525 persons in 1987, 667 in 1988, and 831 in 1989). Moreover, spending on exploration has shot up 76 percent, totaling 14.5 billion CFA francs. These

efforts show on the books: Losses for 1988 totaled some 25 billion CFA francs. The oilman's trade is not always a sinecure.

Sao Tome & Principe

*** Tripartite Development Program Launched**
90EF0022A Lisbon O JORNAL in Portuguese
13 Oct 89 p 24

[Article by Lina Pacheco Pereira: "Sao Tome and Principe, Undoing the Ties"]

[Text] During the country's 14 years of independence, the Sao Tome and Principe Liberation Movement [MLSTP] has ruled by doing what it could to tailor laws to reality. The two islands swayed soft, softly and gently, gently, as those who live there say, to the rhythm from abroad, not always in harmony with their own national interests. Attempts to follow prescriptions and models that got results in other parts of the world did not work in Sao Tome. Now Sao Tome leaders are seeking to go their own way with a National Development Plan.

The recovery project has three parts—one economic, one social, and one political. With it the MLSTP is trying to mobilize the people of Sao Tome while also setting guidelines for relations with the outside world.

In the economic sphere the government is promoting liberalization. The Economics and Finance Ministry has announced a package of restructuring measures that can open the doors to private investment.

Some of the measures stem from requirements imposed by the IMF and the World Bank, but in a recent interview with visiting Portuguese journalists, President Pinto da Costa said they reflect the need for internal economic and administrative reorganization.

The immediate impact on Sao Tomeans outside the power structure will be higher prices for gasoline and what little public transportation there is. The cost of imported goods will soar over 90 percent, and there will be layoffs in the public sector.

But investors are going to get incentives starting with the investment code, privatizations, import credits for raw materials, guarantees for self-financing, and conditions for opening accounts payable in foreign currency.

These measures are also the first steps in the attempt to revive a middle class able to organize around concrete economic interests and run sectors as fundamental as trade and marketing which, for all intents and purposes, atrophied after independence.

Economic development will require yet another definition of cooperation projects, which heretofore have been poorly coordinated and have even conflicted with one another. In foreign relations, according to Pinto da

Costa, special status will be granted to trade partners whose overall projects would materially contribute to the country's development.

Political Opening

Although the economic plan is well defined, its application will depend on changes at the political level. This is why attention is now turned toward revising the Constitution and the MLSTP National Conference to be convened late this year.

The MLSTP is committed to a political opening that stems from the need to teach Sao Tome citizens to be more critical, more self-reliant, and less inclined to wait for change to come from above.

In a country where economic structures do not work, the MLSTP doubts that conditions exist for a transition to a multiparty system. Although it is not possible to talk about the presence of an opposition in Sao Tome and Principe, there are different factions within the MLSTP. What its members seek to safeguard is the right to dissent.

In several of the country's districts, assemblies of inhabitants have been held and broadcast live over national radio. Sao Tomeans have taken the government to task for poor living conditions and have even gone so far as to denounce instances of illegality and corruption, in the presence of Pinto da Costa and some ministers. This is where the social aspect of the National Development Plan comes into play. As Pinto da Costa told the Portuguese journalists, "We must first solve problems of the stomach, and only afterwards can we take up those of the brain." And hunger is the main complaint of the people, tired of relying on the bounty of land and sea for its livelihood and menaced by malaria and cholera.

But these charges pose no threat to the power of the MLSTP or the president. They are aimed mainly at some members of the administration and in many cases meet with approval from Pinto da Costa. In Santana, for example, he silenced a minister stung by the criticism of a local resident. As the president himself told us, "Cabinets can be shuffled, but people are not always so easy to change."

In sum, the development policy has the potential to make sense of a practice that got under way almost 2 years ago but which, in the absence of well-defined guidelines, is easily derailed and manipulated to the whim of outside economic interests.

Ending National Dependency

Sao Tome and Principe has relied enormously on the outside world at all levels. Technical help comes from outside; Sao Tomeans who study abroad find jobs hard to get when they return. There are no factory whistles on Sao Tome, and the bustle of an office is unheard of. Joint ventures underwritten by outside capital are virtually the only employers in the local labor market.

A territory with so few inhabitants and minuscule purchasing power lacks investors willing to meet the needs of its domestic market. A single day's output would satisfy the entire country's demand for a year.

Therefore, horizons must be broadened in some cases and specialized in others. In all sectors, domestic productivity must be geared to foreign markets, and this is the view the Pinto de Costa government currently espouses.

Investors can count on a low-cost labor supply. And finished goods find ready markets in the more than 10 countries of a region where air transport greatly reduces distances.

But the Sao Tome and Principe Government wants to go further. In all areas where development projects are now under way, it wants the countries of the region to begin lowering barriers based on narrowly defined self-interest and move towards increased reciprocity.

An example of how the process ought to work is the Agostinho Neto Hospital inaugurated in the settlement of the same name a year ago by Prime Minister Cavaco da Silva.

In recent weeks the project has overcome the problems that kept it closed, and it will soon open under joint Portuguese-Sao Tomean administration. In the near future the Sao Tome Government intends to make it a university hospital specializing in tropical diseases, which would serve that African region. To do this, San

Agostinho is counting on the cooperation of Portuguese health care specialists to train personnel for service in neighboring countries.

Portugal has made valuable contributions to the reconstruction of Sao Tome and Principe in such key sectors as farming, health, cultural affairs, and defense. In his recent visit to Portugal, Prime Minister Celestino da Costa went home with freshly signed accords, proving to both sides that overall cooperation is possible.

Pinto da Costa goes further and includes Sao Tome in a broader cooperation effort linking Portugal to the five countries whose official language is Portuguese in order to enrich existing historic and cultural links.

But the president of the Republic of Sao Tome and Principe also expresses the view that: "Portugal starts with an edge over other countries because its language lets it understand what we say and what we don't say, but we must compare projects and choose the ones that help the most."

A different challenge has arisen. Countries that would like to cooperate with Sao Tome and Principe cannot expect to profit right away. What must be built first are the basic structures of a country, and only after this is done will further progress ensue.

Sao Tome lacks roads, basic sanitation, a transportation network, and revived agricultural production. This is why the Sao Tome leadership now wants cooperation with the outside world based on mutual self-interest instead of political client relationships. The country is small, and 14 years of experimentation have come to an end.

*** Lawyers Campaign Against Death Penalty**

34010050A Johannesburg VRYE WEEKBLAD
in Afrikaans 22 Sep 89 p 6

[Article by Jacques Pouw: "The Courts in SA Have Made Mistakes: Abolish the Death Penalty, Demand Lawyers"; first paragraph is introduction]

[Text] This week, several hours before F.W. de Klerk was sworn in as state president, in a move that was widely welcomed, he pardoned seven people facing the death penalty. At the same time, Amnesty International this week is repeating its call on South Africa [SA], China, and Iran to abolish the death penalty. In the latest issue of SA TYDSKRIF VIR STRAFREGSPLEGING, nine lawyers and experts analyze the death penalty in South Africa, while new research proves irrefutably that so-called "hanging judges" do exist.

There are numerous examples in our law where persons sentenced to death would have avoided the hangman's noose if they had had better legal representation. South Africa's legal history is filled with bizarre examples where our courts made mistakes and important testimony was withheld from judges.

This is the finding of a lawyer at the University of the Western Cape, John van der Berg, in the latest issue of SA TYDSKRIF VIR STRAFREGSPLEGING.

He says that there are many cases in which those sentenced to death were released by the state shortly before execution with no explanation.

Nine lawyers analyze the extent, application, and possible abolishment of the death penalty in South Africa—a country where 4,227 people have been hanged over the last 77 years (since the beginning of record-keeping).

This is an average of around 40 people per year. However, while an average of 21 people were hanged between 1911 and 1947, that figure has risen to 120 executions per year in the last decade.

Van der Berg says in his analysis that research is urgently needed in South Africa on innocent people who were executed. He is one of a number of lawyers in favor of abolishing the death penalty because innocent people might be hanged. This is an act that cannot be rectified.

He notes the examples of West Germany and Great Britain, where a number of innocent people were executed before the death penalty was abolished there. Recent research in the United States indicates that 23 people who were executed were innocent.

A former director general of the Department of Justice, J.P.J. Coetzer, Senior Counsel, also warns that if the state is not willing to incorporate enough safety valves in the death penalty system, then the death penalty must be abolished, since innocent people could end up hanged.

Like the majority of lawyers, he is in favor of automatic review before the Appellate Division of all cases in which

someone has been sentenced to death by the Supreme Court. This is not currently the case.

The lawyers also recommend that the provision obligating judges to impose the death sentence whenever mitigating circumstances cannot be found be abolished.

Van der Berg says that there are any number of things that can go wrong in a trial. Especially where the defendant is uneducated, it is easier for him to incriminate himself and to lack the means for proper legal representation. Thus, he can be sentenced even when the judge is not making a mistake.

Referring to inexperienced pro deo attorneys [as published] who are appointed for people on whom the death sentence may be imposed, Van der Berg says, "Some of the most important cases in our courts are handled by the most junior and inexperienced attorneys. There are many cases where the defendant would have been found innocent if he had had better legal representation."

For example, there have been people who were sentenced to death after they were defended by people who falsely claimed to be attorneys.

He also mentions a case in 1983 when a defendant was sentenced to death after the prosecutor withheld contradictory testimony from the judge.

It was only the conscience of the prosecutor that saved the convicted man from the gallows.

There are also cases where people were finally released from death row after their appeals failed. Van der Berg says that this is clear proof that someone's innocence does not necessarily come to the fore during a trial.

There is even an example in our law of someone who was hanged after the court took cognizance of the "fact" that blacks can see well at night.

Van der Berg also mentions the case where a judge said during a court case that he understands Xhosa, and that one of his assistants is fluent in the language. For that reason, they would be fully able to understand the finer nuances in the defendant's testimony.

It was only after the defendant was sentenced to death that someone discovered that he had given his testimony in Sotho!

There was also a case where someone was found guilty of culpable homicide after he supposedly stabbed someone. After the person was found guilty and before he was sentenced, the "deceased" showed up in the courtroom!

"It is a revolting thought that even one person might be wrongly executed because of shortcomings in a system for which all of us must bear responsibility," says Van der Berg.

*** Titanium Mining Raises Wide Concern**

34010050B Johannesburg VRYE WEEKBLAD
in Afrikaans 22 Sep 89 pp 12, 13

[Article by Charles Leonard: "The Land of Natal: Victim to Poison and Greed: Green and Money Now in Conflict"; first paragraph is introduction]

[Text] The fight for the survival of one of Africa's most delicate ecologies is about to develop into a test of the government's commitment to preserving the environment.

The St. Lucia estuary, the largest in Africa as well as Africa's oldest nature reserve, may soon be a scene where mining barons stand wringing their hands as they watch their equipment help them gain a worldwide monopoly over titanium, which is used to produce military aircraft and explosives.

Over the last few weeks, conservation-conscious South Africans have announced that they will not take this sitting down. Intensive lobbying and a nationwide protest this week led to the decision by Richards Bay Minerals (RBM) to first conduct a thorough study on exactly how this valuable coastal region will be affected.

Previously, RBM filed an urgent request for permission to mine the coastal dunes along the eastern shores of Lake St. Lucia. They want to expand their current operations to such an extent that they will dominate the world titanium market. In order to achieve this, they must begin production in 1991.

RBM is a subsidiary that was recently sold by Canada's Quebec Iron and Titanium/Fer et Titane Inc. (the main stockholder) to RTZ Corporation in England. The South African companies Gencor and Ou Mutual are also stockholders. However, the product continues to be exported to Canada.

RBM is in possession of the prospecting lease and has applied directly to the deputy minister of mining for the mining lease that would allow it to begin working the land. In South Africa, it is almost automatically the case that a mining lease is granted if the holder of the prospecting lease has discovered minerals.

RBM says that the South African government will pocket one billion rands in direct tax revenues, while the company itself will walk away five billion rands richer.

With South Africa's economy as it is, it must be quite an attractive prospect for our government to give the mining company the green light.

Then why is this making green-oriented people see red?

Ian Porter of the Natal Parks Council's research team at St. Lucia has painted a somber picture of what this picturesque part of Zululand will look like if the government allows RBM to work the dunes.

The area to be worked—the isthmus that separates the lake from the Indian Ocean—is rich in indigenous plant growth, which covers the dunes. It extends from St. Lucia Village to Cape Vidal, 25 kilometers to the north.

The bridge over Lake St. Lucia will have to be enlarged in order to provide for the 38-ton trucks that, according to estimates, will cross the bridge every 7 minutes once mining begins. The minerals that are to be mined on the eastern shore will be transported to the smelting works on Richards Bay.

This is only one of the changes required by the mining activities. A minimum increase in the supply of electricity of 30 percent will be expected of ESCOM [Electricity Supply Commission].

In addition, this will mean power lines over Lake St. Lucia in order to get to the narrow strip of land.

How will the mining take place?

The dredging technique will be used—a man-made lake measuring 250 meters by 250 meters will be made in the dunes and filled with fresh water. A dredger moves up, sucks in the sand and blows it into a concentration facility. There, 10 percent of the sand is sorted out and transported to the smelting plant.

This process requires between 22,000 and 35,000 cubic meters of water a day.

For this, the mining company is planning to build a dam in the nearby Dukuduku Forest—an untouched and unique forest.

Water is to be pumped from the Umfolozi River, and according to Porter this alone requires an ecological impact study.

It will affect an unknown number of squatters who have been living in the area for the last 6 months.

The natural form of the dunes will be changed. The steep dunes cannot be reconstructed, and it will be impossible to restore the rich variety of indigenous plant life.

The mining activities will also change structures below the surface. The flow patterns in the dunes and the water-rich marshes will be affected. A more drastic effect will be felt by pumping water into the dune area.

It will be equivalent to an additional 750 mm of rain per year—an artificial increase of 80 percent. This will change the structure of the marshlands in particular.

The seaside shores in the areas that are currently being mined on Richards Bay have split off and fallen into the sea. This will probably happen with the eastern shores as well, where the richest titanium deposits have been found.

RBM has made nice promises about "restoring the natural plant life."

However, in Australia it has been found that this type of replanting is only partially successful—less than 50 percent of the original plant species could be reestablished.

It is expected that it will take 100 years before a dune forest can be fully restored.

Lake St. Lucia is the largest lagoon area in Africa. Lagoons, where the ocean and fresh water meet, are extremely delicate ecosystems. As a party to the Ramsar Treaty, South Africa agreed to take special care in protecting that area.

Aside from its natural beauty, the area is rich in reedbucks, hippopotamuses, buffalo and even black rhinoceros.

The residents of the St. Lucia Village vacation area are worried that they might lose their estimated 50 million rands per year in tourism revenues if mining begins in 2 years.

Is there anything at all to be said in favor of exploiting the dunes?

A total of one billion rands over 20 years for the government.

And five billion rands for RBM.

The consequences? A ravished piece of land where nothing can be restored.

Suddenly, the words of a drenched hiker in Zululand gain meaning: "It seems to me to be a 'quick buck,' and the government will definitely fall for it."

*** Restrictions on Blacks Said To Stunt Economy**

34010050C Johannesburg VRYE WEEKBLAD
in Afrikaans 22 Sep 89 p 14

[Text] A turnabout in the direction of economic discrimination cannot be afforded. Any economy that is weighed down by the burden of excessive state intervention and restrictive laws and regulations is doomed.

South Africa [SA] today is paying the price of the artificial restrictions that have been imposed on blacks over the last decades.

More than three-quarters of the country's labor force is prohibited from advancing to certain professional levels; they are denied the privilege of owning urban property and housing; they are prevented from building up capital; and they are effectively prohibited from displaying initiative, setting up enterprises and conducting business on a formal and informal level.

The greatest single problem was the neglect of black education and training up until the mid-1970s. This is the conclusion of a recent report by Trust Bank's Econovision survey.

It goes on to say that the long-term consequence of this is "a serious structural shortage of high-level manpower

and an underlying productivity problem in the SA economy" Prof Jan Sadie of the University of Stellenbosch recently released figures that indicate that less than 10 percent of the South African labor force consists of high-level manpower, compared to nearly 25 percent in Western countries.

This is presented as a key reason for the fact that the productivity of the South African labor force over the past 20 years has increased on the whole by only 40 percent, compared to 75 percent in the United Kingdom, 100 percent in Italy, 125 percent in Taiwan and 375 percent in South Korea.

"The total productivity and welfare of the South African economy has suffered from this, as reflected in the fact that the combined productivity of capital and labor in 1987 was lower than in 1970, and in the accompanying stagnation in SA's exports of manufactured goods, excluding weaponry, in the 1970s and 1980s.

"South Africa has learned an expensive lesson: You cannot impair the economic productivity and participation of three-quarters of the population and still expect to compete internationally.

"The economic oppression of blacks in SA, which began during the colonial period and has endured for three-quarters of the 20th century, will remain a handicap on the SA economy and the welfare of all South Africans into the next century. Most of the black children who received an inadequate education in 1970 will still be members of the SA labor force in 2015," Trust Bank says in its survey.

Productivity in Reverse Gear

The underlying reason for the economic advances achieved by countries like Taiwan, Brazil, Portugal, and Botswana over the last couple of decades is improved productivity in the total sense of the word, according to the Econovision report.

"Through effective economic management, these countries were able to rapidly increase the overall utilization and productivity of economic sources and opportunities available to them. This includes factors such as capital, labor, natural resources, entrepreneurship, technology, location, climate, and international markets.

"South Africa, which experienced a relative economic decline, obviously had less success in managing, developing and utilizing economic sources and in improving national productivity.

"This can be attributed primarily to the fact that the international growth pattern has become increasingly 'intensive,' with the emphasis on sophisticated products, such as computers, supersonic airplanes, household appliances, and advanced communications equipment.

"The role of various private-sector services (such as banking, insurance, consulting services, and tourism) has also increased.

"In this age, competence, skilled labor, and the development and mastery of advanced technology is of critical importance. The realization has also quickly developed that this sort of growth pattern is just as dependent on the initiative and creativity of small entrepreneurs and businessmen as it is on large, bureaucratic organizations.

"The effective and accurate transfer of information within the framework of free markets has also become more important in the international economic race. It has gradually become clearer that countries with restrictive state intervention in the economy, with laws and regulations that place limits on economic activity and initiative, and with weak educational and training systems and a subsequent shortage of skilled labor, are doomed," says Trust Bank.

Economic Decline Inevitable

Econovision comes to the conclusion that if the previous age of economic discrimination, state intervention, and all sorts of artificial restrictions on economic activity and productivity continues, then further economic decline is inevitable.

"Turning the clock back could ultimately doom the country to a bottomless pit of mass poverty, with the hunger, high rate of population growth, crime and violence associated with that."

*** Toxic Waste Dumping Discovered**

34010050D Johannesburg VRYE WEEKBLAD
in Afrikaans 22 Sep 89 p 12

[Article by Charles Leonard: "Unfortunately, This Is Not the Movies"; first paragraph is introduction]

[Text] Charles Leonard went to investigate and happened to stop in at Pietermaritzburg, where the dumping of toxic waste now appears to be more serious than was first thought. Cedric Nunn of Afrapix took his camera along.

It feels like you are entering the set of a science fiction movie when you get to the plantation at Mattison's Hill outside Pietermaritzburg: There is an ominously sharp chemical smell in the air; here and there, trees have been uprooted by explosions; nearby are drums that have burst open; large pools of strangely thick, congealed liquids next to the drums, in purple, green, maroon, yellow, and orange; more drums in covered trenches more than 100 meters long; the area is scorched black and covered with yellow ash; the trunk of one of the young trees is twisted.

Unfortunately, this is not the movies, but rather the hard and disturbing reality of another secret and potentially deadly toxic waste dump discovered near Pietermaritzburg.

Members of the ecology group Earthlife Natal found it 2 weeks ago when a farm worker in the area told them

about a strange smell. It is estimated that around 3,000 drums are buried at a plantation that belongs to an absentee landlord.

A fire at the plantation led some of the drums to explode, with all their toxic waste, thus exposing the horrible discovery.

The chairman of Earthlife Natal, Chris Albertyn, says that the waste contains lead, mercury, cadmium, and chromium.

"These are highly toxic metals that are bad for your health. They can cause kidney and liver problems and even result in brain damage among children."

The plantation is only 500 meters away from the main oil pipeline between Durban and Johannesburg.

The area is located on a hill, and some of the toxic waste—which according to estimates has been buried at Mattison's Hill for 3 years now—must have long since made it into the groundwater. The adjacent valley, which ironically enough is called "Ideal Valley," is home to a number of black squatters. These people include refugees who fled the violence-ravaged townships in Pietermaritzburg for fear of their lives.

During the rainy season, these people get their drinking water from a spring at the bottom of the hill.

To make things worse, a number of people in the area have fetched drums from the waste site and, after throwing out the waste, used them to catch rain water. There are up to 15 of these drums, which are much in demand, around most of the houses in the valley. Bought new, the drums cost 80 rands.

At one of the houses, where children are playing with bright-colored cakes of waste, 45-year-old Leonard Ngubane says that they were completely unaware of the danger involved in using the drums.

"No one told us that it was toxic," he says. Around him are 15 of the drums. With a contraption that is connected to the gutters on the roof, the drums serve as home-made water tanks.

"Drums like these are not easy to get hold of," Ngubane says. He has lived in the settlement for 3 years now. They heard the fire at the plantation. There were big explosions, he says.

The drums were buried there 2 or 3 years ago. However, they do not know who the man was who did it, the residents say.

Some of the children have chest problems, Ngubane says.

However, it cannot be said with certainty that this is the result of the waste, says Albertyn. Earthlife will soon be bringing doctors to the area to examine the people.

A large packing company has in the meantime promised to replace the drums with new ones within a week.

This is a temporary, but welcome solution," says Albertyn. "However, the responsibility rests with the state. The minimum that it could do is to completely clean up this site and the three others that have already been discovered.

"I am afraid that now they are going to remove the people instead of the toxic waste."

* 8th SA Infantry Unit at Upington Described

90EF0035A Pretoria PARATUS in Afrikaans
Aug 89 pp 12-14

[Article by officer candidate Lientjie Barnard and Jannie Hennop: "Oasis in the Desert, Thanks to SADF"]

[Text] Unbearable heat, desert terrain, far from "civilization," dust... This is what Upington and, in particular, the 8th SA [South Africa] Infantry Training Unit is like. Or is it? PARATUS recently visited the unit, and little did we know what would await us there...

Upington is certainly the largest town in the northern Cape Province, and, thus, is as distinct to that region as the Orange River, vineyards, and river irrigation. Irrigation is the reason that Upington and its environs come across as anything but desert.

The 8th SA Infantry Training Unit is one of the most proper and modern units in the country. A modern entrance, buildings, and luxurious green grass lawns welcome you at the gate. But this is not the last surprise awaiting you... Just read on.

Northwestern Cape Commando was set up in December 1951 in Upington to establish a military presence in the northwest. This was changed later to Upington Military Base, and, in 1973, the 8th SA Infantry Battalion came into being. During that period, the only permanent buildings there were the Bn Headquarters building, a magazine, the quartermaster, and the kitchen with the adjacent mess. The troops depended on tents for housing.

Today, the unit boasts three-story barracks among other things. Here, conscripts, who are deployed in the 8th SA Infantry's infrastructure, can decorate their rooms with appropriate pictures and paint them with a sensible color of their choosing. ("Just not pink," says RSM [Regimental Sergeant Major] E. Palmer.) The barracks are named after military commanders who served in that region.

There is a large, modern kitchen with a dining hall for more than 600 people; there are comfortable mess facilities for officers and NCO [Noncommissioned Officer]s, each with a swimming pool for the Upington heat. An ultramodern sick bay is also one of the sources of pride

for the unit. The sick bay includes amenities such as a dentist, operating rooms, emergency treatment, X-rays, a druggist, and much more.

Because the sun can certainly be merciless in that part of the country, there is covered parking for all the conscripts' cars. Other facilities, such as the chaplain services, post office, barber, automatic teller machine, gymnasium, and the "Tropical Inn" also grace the unit. The "Tropical Inn" guarantees the lowest prices in the entire town!

In addition, a modern sports complex is part of this unit. Sixteen different types of sports are accommodated here. The grass-green paths at the complex let you forget completely that you're supposed to be in the "desert." Lt Robert Matthee, the sports officer, says that, even though Upington is not identified as a sports growth point, the 8th SA Infantry's sportsmen don't have to stand aside for anyone. (The identified sports growth points are, among others, Cape Town, Bloemfontein, and Pretoria).

Sports is regarded here as a "weapon," because people look at you differently if you are good at sports. Here, sports is just as important as training. This year four of the 8th SA Infantry's cross-country athletes won bronze medals at the Comrades.

"Eve's Den" is a nice visitors park that is used primarily on parents day. Here, there are grass lawns, lean-tos, grill sites, changing rooms, and lecture halls. "Eve's Den" can also function as a restaurant. Just next to the visitors park is the 8th SA Infantry's own little game reserve. Its occupants include gemsboks, klipspringers, mountain tortoises, springboks, peacocks, geese, ducks, and guinea fowl. "Olifant" is the name of the black worker who looks after them all. He is so attached to "his" animals that he even comes on weekends to make sure they're all right.

"Appel," the Shetland pony who brings good luck, also stays next to the game reserve. He was given to the unit in 1981 and named after Gen Manie Maritz's horse.

As part of the 8th SA Infantry's nature conservation program, Riemvasmaak was incorporated into Augrabies National Park in 1988. This is an important area for geologists, nature lovers, and the SADF [South African Defense Forces]. Actual protection of Riemvasmaak's fauna did not begin until after the area was taken over by the SADF. Before that, the fauna survived only under great pressure. Riemvasmaak is the ideal habitat for reestablishing several types of animals, such as gemsboks and the black rhinoceros.

An indigenous northern Cape rock garden, including cactus, succulents, and aloe, is part of the 8th SA Infantry's environmental protection program.

The purpose of the 8th SA Infantry is to be an operational, combat-ready unit. At the 8th SA Infantry, productivity is pursued in every section. Col Jooste, the

commander of the 8th SA Infantry, says that productivity is part of life and of work—not an extra.

Supply management at the 8th SA Infantry is applied very successfully. When equipment is issued to conscripts, a fully equipped doll is included with prices on each item. In this way, each conscript realizes what his equipment actually costs.

A sewing section, which is run by three full-time ladies, also ensures a reduction in unnecessary exchanges. This is a recovery process that is very economical.

Because there is a great deal of dust here, supplies, which are in use, must continually be kept clean, and that is very expensive. A large-scale vacuum packing machine has been purchased, which can seal supplies so as to be dust-proof and air-tight. In this way, cleaning supplies are kept to a minimum. Equipment such as radios is also sealed by machine to remain dust-free.

Driver training has an interesting dimension at the 8th SA Infantry. Drivers receive a grade that makes them eligible for extra leave, and also indicates where they can drive. A one-star driver may drive only on the base; a two-star driver may drive on the base and in town; a three-star driver may drive anywhere in the country. Drivers can undergo testing on a regular basis for an upgrade of their driving status. Each month a Driver of the Month is named, who receives 2 extra days of leave and is eligible for the Driver of the Year competition. According to WO1 [Warrant Officer One] A.P. Jordaan, the drivers are well-motivated and the accident rate is very low.

As a result of Upington's location, ordinary weekend passes are not worth the effort. About every 2 months, conscripts receive passes for 9 days. In this way, there is enough time to safely get home and back. Organized bus services are also used a great deal during the passes.

According to Commandant J.J. Steyn, the head of training at the 8th SA Infantry, there are two battalions in the unit. The training battalion includes men in their first year, who are still involved in the various phases of training. The other is the operational battalion, consisting of soldiers in their second year of service. Those soldiers are finished with training and are being operationally deployed.

The basic training of conscripts begins in February and lasts until the end of April. The last period of each phase is carried out at Riemvasmaak. Riemvasmaak is an area of around 74,000 hectares, and is regarded as a desert to semidesert area. It is located in the Gordonia district approximately 160 kilometers west of Upington. There are adequate facilities at Riemvasmaak for SADF purposes.

After basic training, specialized training begins in which the men are trained for one of the following: drivers,

gunners, marksmen, signalers, section leaders, chefs, clerks, and regiment police. Training lasts until the end of June.

Beginning at the end of July, training is in conjunction with the mechanized component (Ratels). In this phase sections are formed, each of which practices with a Ratel with an eye to operational service. During August three sections come together to form a platoon. Thus, training becomes more complicated, since there are now more soldiers and vehicles involved.

In September three platoons come together to form a company. Three to four companies in turn form a battalion. In this way, total integration has taken place between all the soldiers and the Ratels from the lowest level up. A large training exercise is then held at the Army Combat School near Lohatla, where the companies, mortars, and antitank units operate in unison.

During October urban counterinsurgency training is held. A large exercise, in which various units participate, is also held. This is known as Whiplash Exercise.

The 8th SA Infantry Unit participated with distinction in Operation Savannah (1976), Operation Reindeer (1978), Operation Smokeshell (1980), Operation Protea (1981), Operation Askari (1983), and Operations Modular, and Hooper (1988). Since 1985, the unit has also provided service in combatting urban terrorism.

Recent high points in the unit's history are:

- the Army trophy received for good administration in 1982;
- the Floating trophy received for best operational unit and best company in the Operational Area in 1982 and 1984;
- the unit's hosting of the annual Craven Week for high school rugby in 1983;
- a five-star grade for loss management awarded the 8th SA Infantry for the last 3 years;
- a certificate of productivity in 1988 awarded to only 10 units in the SADF;
- the trophy awarded for best financial management in the SA Army in 1988;
- the Hygiene Trophy in 1989 for the unit in the northern Cape with the best hygiene.

One important innovation is the recent mechanization of the 8th SA Infantry unit. It still has infantry status because it was only expanded by the mechanization.

In the SA Army, there are three types of infantry units: motorized infantry, which consists of soldiers with Buffel personnel carriers; paratroopers, who are dropped by air transport; and mechanized infantry, where the soldiers are supported by Ratel armored vehicles.

Where foot soldiers in the past had to bring along mortars and antitank equipment themselves, the Ratel lightens the load, since these are mounted on the Ratel.

In Upington, there is an above-average level of cooperation between the community and the 8th SA Infantry. They realize that they cannot function without each other. For this reason, the 8th SA Infantry is very much oriented towards visiting groups—to promote not only the SADF's image, but that of the unit as well. On 9 May 1981, the 8th SA Infantry received the Freedom of the Town award. The trooping of the colors will take place in 1990.

The 8th SA Infantry Unit identifies with the Gemsbok emblem. The gemsbok is an indigenous animal distinct to that region, and like the unit it is known for its ability to survive—the fact that he uses protection and his weapons to the maximum. He adapts to difficult circumstances, and his action is graceful and well-considered.

The strength and persistence of the 8th SA Infantry is illustrated by its slogan, *Perservate et Superate*—"Win Through Perseverance"!

Angola

* Portuguese Companies Sign Fishing Contract

90EF0038A Lisbon DIARIO DE NOTICIAS
in Portuguese 10 Oct 89 p 4

[Article by Encarnacao Viegas]

[Text] Luanda—For the first time since Angolan independence, Portuguese tuna boats will be operating, as early as November, in the territorial waters of that country. Four vessels will work under a trial 6-month contract signed between the Luanda government and a joint venture of two Portuguese fishing firms, Cofaco and Zaton.

After expiration, the protocol is likely to be converted into a joint participation agreement, one of the modes of doing business contemplated under Angola's recently enacted foreign investment law. It is understood, however, that the catch will be earmarked mainly for the export market. This is why, instead of using the cold storage facilities on land in Angola, the Portuguese ships may be accompanied by a refrigerator ship from Japan, the intended market for the fish.

In addition, other projects are already in the final approval stages and may serve to put into actual practice the desires for Portugal-Angola cooperation that were expressed yesterday morning at the first formal meeting between the State Secretary of Fisheries of the Lisbon government, Jorge Godinho, and his host, Minister Ramos da Cruz, the Angolan official responsible for that sector. Specific proposals have been made by Portuguese businessmen who plan to set up business in Cuanza, provided they are granted permission to administer the bonded warehouse facilities there. The probable agreement involves strong support for nonindustrial fishing activities in that southern Angolan region, in return for which there would be provisions to allow the company holding the concession to export shellfish.

Furthermore, and in the realm of the frozen food industry, the Salvador Caetano holding company is seriously interested in strengthening its position in Angola. The group recently purchased from the British a 75-percent interest in the firm of Robert Hudson, giving it managerial control over that company. It would like to expand the firm's business in Angola into the automotive, farm machinery, and maritime equipment industries. It should be noted, with regard to the first of these areas, that a Japanese brand name—not Toyota as one might assume—has already expressed its interest, while in the area of agriculture it has been agreed that Ford will cooperate in this project to modernize the Angolan rural scene.

Both Godinho and Ramos da Cruz have already said publicly that they are convinced that this is "a crucial moment," not only as regards the overall situation in Angola but in terms of the development of bilateral relations with Portugal in fisheries matters. There is a

feeling that "it's now or never." Nevertheless, some of the businessmen who accompanied Godinho made a point of noting that despite the good political intentions, one must keep in mind the lengthy bureaucratic process that lies ahead.

But the optimists were clearly in the majority on the committee, and one of the vessel operators said flatly that "there are still many empty chairs for the Portuguese to sit down in." This was a pointed allusion to the fact—also acknowledged by the political leaders—that it has taken Portugal a very long time to come forward and take advantage of these opportunities from which others have already benefited.

In that regard, all the Portuguese businessmen told DIARIO DE NOTICIAS yesterday that perhaps they actually face more difficulties with Madrid or Moscow than with Angola itself. In their view, both the Spaniards and the Soviets are already well entrenched here. The Spanish will probably have to haggle over possible reductions in the ceiling on catches established under the EEC agreements with the African nations, because Angola, apparently not disposed to let its resources be overfished, will probably try to take a mouthful for the Portuguese out of the slice granted to the Europeans. As Minister Ramos da Cruz said, the Portuguese "have the advantage," i.e., the advantage of "language, knowledge, and a comfortable relationship with the Angolans."

Comoros

* Presidential Guard Training Detailed

90EF0028a Moroni AL-WATWANY in French
15-30 Nov 88 p 4

[Article by A. Mdahoma: "Defense: Presidential Guard Sets Up Combat Unit"]

[Text] From now on the Presidential Guard will have a combat unit a little like the French GIGN [National Gendarmerie Intervention Group].

On 5 November a demonstration was held by the group at Camp Itsoundzou, at the end of a training session lasting several weeks. The demonstration was held in the presence of civilian and military leaders of the country, including Ali Nassor, director of the personal cabinet of the presidency charged with defense; Said Omar Mohamed Sidi and Mlaili Mistoihi, prefects of the Central and Southern regions, respectively; and Major Ahmed Mohamed, chief of staff of the armed forces of the Federal Islamic Republic of the Comoros. Foreign personalities, including Colonel Vieillard, chief of the French Military Cooperation Mission, were also present on this occasion.

This unit, made up of 30 men from the Presidential Guard (GP), began its training with the dispatch of four members of the guard to France, including Lieutenant

Frederik, chief of the SSR (Presidential Personal Security Section), who, in fact, is the principal architect of the combat unit established in the Comoros following their return after several months of training with the National Gendarmerie Intervention Group. Lieutenant Frederik, with the help of three noncommissioned officers, then had to communicate to the local group all of the knowledge and techniques learned from the French Combat Brigade.

Successful Deployment

Training for the day began at 0730. Major Marques, chief of staff of the Presidential Guard, began the activities with a brief speech made under a tent set up a few meters from the entrance to the camp. The speech was limited to greeting those in attendance and to presenting a rough outline of the exercises to be carried out.

A few minutes later the unit moved to the rifle range for a demonstration where Lieutenant Frederik discussed the equipment used. The unit began with precision firing. Five riflemen with MR 73 submachine guns took up positions 25 meters from their targets. Then followed firing with automatic rifles, followed by defensive fire by five riflemen placed 15 meters from their targets. This was the kind of face-to-face combat found in Western films where quickness in firing is very important. However, and this should be said since it is very important, our sharpshooters turned their backs on their enemies symbolized on this occasion by cardboard figures of a standing man.

Next, two sharpshooters armed with automatic rifles gave a rapid fire demonstration. They fired on their targets after rolling over quickly on the ground. It was fantastic. Neither of them wasted his ammunition. All of the bullets hit the target.

Actual Situations

After a simultaneous firing exercise carried on by three sharpshooters at a range of 200 meters, the group demonstrated combat sports (French and British style boxing) and self-defense techniques before giving more concrete demonstrations.

At first the combat unit had the task of bringing in a terrorist alive, whatever the cost, and freeing unharmed, a hostage whom the terrorist had held.

The terrorist was very demanding. He asked for a large sum of money and an automobile to go to the airport where a helicopter ready to take off was to be placed at his disposal by the authorities, whether they wished to do so or not. He was armed with an automatic pistol and offensive hand grenades. The group received orders to surround an isolated house and to neutralize a group of terrorists found there without compromising its own security. A penetration team brought in by helicopter landed on the second floor of the building on this occasion, while another team in assault formation was ready to enter the building on the ground floor. The two

teams were assisted by a support team that was to neutralize two curious terrorists who, after having heard the sound of the helicopter, came out of the house to see what was going on. The operation only lasted a few minutes.

Finally, the third demonstration involved the tactics carried out by the third company. This company was to reduce local resistance, which it had scouted and reconnoitered. This maneuver was carried out with live fire with weapons assigned to the company, including AK-47 rifles, RPD's, RPG-7's, 12.7- and 14.5-mm machine-guns, 106-mm recoilless rifles, and 60-mm mortars. The enemy was symbolized by a mock camp.

Views of Observers

Colonel Vieillard thought that this was a "beautiful demonstration." For his part, Major Ahmed Mohamed did not hide his satisfaction with the success of this demonstration which, according to him, was as good as the resources available. As far as Ali Nassor was concerned, he emphasized the importance of the existence of such a group. According to him, this demonstration promised a great deal. Asked whether in the future such military services as the FAC (Comoros Armed Forces), the police, or the National Gendarmerie could benefit from such a unit, Ali Nassor answered affirmatively. He emphasized that each of these services should be provided with units that would make it possible for them to develop normally and to perform the missions assigned to them.

We might note that this combat group of 30 presidential guards is made up at this time of members of the SSR. Major Marques did not exclude the possibility of increasing its size in the next few months to about 40. According to him, this training program was just the first part of a longer series of exercises.

Mauritius

* Unions Join Forces, Restructuring Discussed

90EF0042A Port Louis LE MAURICIEN in French
18 Sep 89 p 4

[Article by Henri Marimootoo: "NTUC To Get Permanent Organization: Benydin of FSSC May Be First Council President"; with introductory editorial paragraph; passages enclosed in slantlines printed in English]

[Text] Just over 100 delegates from the five trade union confederations and the independent trade unions of the /National Trade Union Council/ [NTUC] met at Rose-Hill yesterday morning to discuss a proposal to give the council a permanent organizational structure. It has been learned that the plan will be submitted for approval to rank-and-file members of all the confederations and trade unions before going into effect by the end of the year.

Despite the withdrawal of Chandersensingh Bhagirutty's /Mauritius Labor Congress/ and Malleck Amodé's /State Employees Federation/, the NTUC seems to be doing quite well.

The discussions held yesterday morning at the Patten school seemed to confirm the desire of the FSSC [expansion unknown], FSCC [Federation of Unions of Constituent Bodies], FPU [expansion unknown], GWF [General Workers Federation], FTU [United Workers Federation], OUA [expansion unknown], and CMT [Mauritian Workers Confederation] to join forces to fight for certain common objectives which—precisely because of divisions among the different Mauritian labor organizations—have never been attained.

The proposed restructuring entails dividing up the leadership positions among representatives of all the confederations. Members of the NTUC executive board will serve 1-year terms, and their primary responsibility will be to promote trade union unity. According to the rough draft, each confederation will nominate 10 delegates to an assembly. This body will establish a secretariat and eventually launch a trade union newspaper to promote worker demands.

In all likelihood the first president of the NTUC executive board will be Mr Toolseeraj Benyidin (FSSC). The vice presidency is expected to go to Mr Badianand Jhurry (GWF), the secretary general will be Mr Ravin Ramasawmy (FPU), and his deputy will be Mr D. Bharuth (FSCC). The treasurer will reportedly be Mr Stelio Lapie (FTU). OUA and CMT would have observer status and the right to express their views in meetings.

In addition to the council restructuring, the trade union delegates reviewed the Mauritian trade union movement's current agenda of high-priority demands. Those demands include revocation of the /Public Order Act/ [POA] and the /Industrial Relations Act/ [IRA] of 1973, in order to secure workers the right to strike and freedom of expression, a 40-hour week in the sugar industry, the reinstatement of Benjamin Frappier with Retreaders, income tax reform, humanization of the /Export Processing Zone/, and higher wages.

Delegates from the trade union confederations decided to focus on the reinstatement of Ben Frappier, the worker/union activist. The NTUC will hold a meeting at Cite Vallijee next Monday. The following day a demonstration will proceed from the Marie social center in Port Louis (Reine de la Paix) to the Jardin de La Compagnie [Company Garden]. The week of activities will also include an open forum on the POA and IRA and a cultural festival at Cite Vallijee.

*** Lalit Analysis of MMM Split 20 Years Later**
90EF0042B Port Louis *LE MAURICIEN* in French
28 Sep 89 p 12

[Article: "'Lalit' Talks About MMM 'Bankruptcy'"; passages enclosed in slantlines printed in English]

[Text] Ever since the schism in the old MMM [Mauritian Militant Movement], its two component parts—the MSM [Mauritian Socialist Movement] and the MMM itself—have been fighting to ally themselves with "the old guard PT-PMSD-PSM [Labor Party-Mauritian Socialist Democratic Party-Mauritian Socialist Party]." And since then "there has been no end to the compromises to which both halves have gone/," and "both have proudly sold out every aspect of the struggle of the working people/."

This analysis by the Lalit [a Marxist-Leninist] party has appeared on the occasion of the 20th anniversary of the MMM, in the form of a preface to a publication that has just come out under the title of "The MMM After 20 Years/."

The two halves of the former MMM, according to Lalit, control "almost the entire electoral terrain," but "fortunately, electoral terrain is not the sum total of political life. In Lalit, we continue to keep open the terrain of the struggle for socialism/."

In concluding the preface Lalit states that "if our criticisms of the MMM can clarify the tasks before us in the struggle for socialism, this is indeed a 'happy' aspect of the MMM's birthday/."

The book is in reality a collection of four analytical documents about the MMM that Lalit had published separately on past occasions: three open letters written between October 1987 and May 1989, and a pamphlet circulated during the District 15 by-election campaign this year.

Lalit says that the book carries its critique of the MMM forward to the present time, "right up to the MMM's final sellout when in 1989 it called for PMSD support for the by-election in which Collendavelloo sought a vote of confidence on the MMM's behalf for his having stood guarantee for the South African magnate, Sol Kerzner, to become a Mauritian citizen/."

Copies of the publication will be presented to all the guests invited to the MMM's anniversary congress, including parties and organizations that have been invited as well as journalists who have come from abroad to cover the event. It will also be selling for 10 rupees a copy in major bookstores throughout the country.

Lalit pointed out that it was itself once a faction of the MMM and that the latter had attacked the leadership of the party as early as 1976 in a tract entitled "Lalit de klas." After that the group left the MMM. "We resigned over the issues of the alliance with the PSM and the 'New Social Consensus,' in April 1982. We considered the alliance with the PSM to be a betrayal of the anticommunal struggle, and the 'New Social Consensus' to be a betrayal of the class struggle itself/," according to the authors of the book.

They also believe that the sale of the "Touessrok" and "La Pirogue" hotels marked another very important stage in the "apostasy" of the MMM.

With regard to the program for national unity that the MMM is expected to present at its anniversary congress, Lalit writes: "/Their document will probably be the testament of the MMM's bankruptcy as a social and political movement/."

*** Boodhoo Calls Response to Scandals 'Lethargic'**

90EF0042C Port Louis L'EXPRESS in French
7 Sep 89 p 7

[Article: "Boodhoo Denounces Mauritian Lethargy in Response to Scandals"]

[Text] Mr Harish Boodhoo, leader of the PSM(B) [Mauritian Socialist Party-B], speaking yesterday at the Flacq community center, denounced the lethargic public response to the numerous scandals that have shaken the country in recent years, including the Soobiah affair and the scandal over the undocumented Indians.

The PSM leader criticized the parliamentary opposition MMM [Mauritian Militant Movement] for not having seen fit to lodge a motion of censure against the government after the Soobiah affair exploded into public view.

He also criticized the government for its refusal to name a commission of inquiry to investigate the Laxmanbhai firm's illegal importation of 50 Indian workers. In his opinion, it is completely illogical for the government to put the blame on Sir Gaetan Duval, since 30 or so of the group arrived in Mauritius after the PMSD [Mauritian Social Democratic Party] leader withdrew from the government in August of last year.

The PSM leader severely criticized Sir Harold Walter for having intervened on behalf of Nigel Soobiah, who had been convicted in Algeria on a drug-related offense.

The main topic of his remarks was the arrival of the Indian workers. "With the support of the government, Mr K. Patel (manager of the Laxmanbhai firm) dragged Mauritius 150 years back into the past, to the time of slavery, to the time of man's exploitation by man."

Mr Roger Wong, secretary of the PSM, spoke about the arrest of Ben Frappier, a trade union activist, while Mr R. Soobadhar appealed to the country's political leaders—Sir Anerood Jugnauth and Sir Gaetan Duval, in particular—not to create divisions among the people. Mr Soobadhar also spoke about divisions within the ranks of organized labor.

*** Evidence on Nigel Soobiah 'Sensitive'**

90EF0026C Port Louis L'EXPRESS in French
1 Sep 89 p 3

[Article: "FBI Special Agent Thurston: 'I Believe Nigel Soobiah is a Ringleader'"; passages enclosed in slantlines published in English]

[Text] Yesterday's session was primarily devoted to the evidence assembled by /Her Majesty's Customs/ against the former Mauritian high commissioner in London. It should be pointed out that no fewer than 20 volumes of testimony have been prepared by British investigators to support the allegations in the case. The public prosecutor even brought a /filing cabinet/ into court under lock and key.

When the session began Mr Beaumont, who was defending the pair, drew attention to the importance of the testimony to be brought before the court. "/The evidence is of sensitive nature in relation to the U.S. Government./" Citing a legal precedent, the attorney said "/the defense will not hesitate to address to DPP [Department of the Public Prosecutor] if there is any repetition of the matter./"

The star witness yesterday was Mr Thomas Thurston of Buffalo, New York, a /case officer/ with the /Federal Bureau of Investigation/ (FBI). Special Agent Thurston traveled to London for yesterday's session.

The representative of the public prosecutor's office explained to the magistrate that one of the reasons for postponing the opening of the /committal proceedings/ from Tuesday until Thursday had been the unavailability of the special agent. "/He was giving evidence in San Francisco on drug trafficking./" the prosecutor added.

The prosecution explained at the outset that "/the charges are wider in time. Mr Beaumont was not aware of that fact until now./" He said the alleged crimes of Soo Soobiah were committed between 14 December and his arrest in February.

Upon hearing this Mr Beaumont stated to the court that "/the man in the dock is hearing for the first time, not from his own counsel, what the charges are."

The magistrate said "/I regret the eleventh-hour widening./" but added that "given how far the witnesses have traveled to be here, it would be difficult to grant a postponement in the case."

Testifying in the /Welsh Magistrate Court/ yesterday when the case got under way again, Special Agent Thurston—who has 13 years of experience in his profession—explained that starting in 1985 he was given the specific assignment of infiltrating drug gangs. The men placed under him have infiltrated four organizations so far.

In response to a question from the prosecutor, Special Agent Thurston said without hesitation that he considers Nigel Soobiah a /ringleader/.

"/Undoubtedly it was Nigel Sevan Soobiah who was in charge of the operations,/" he told the court. He also pointed out that Nigel Sevan Soobiah had no sources of income other than drug trafficking.

Mr Thurston met Nigel Sevan Soobiah in person for the first time in June 1988. "/We didn't know his true identity. He was known as Stephane,/" the FBI agent explained. He also brought out the fact that Nigel Soobiah, on the day of his arrest in Buffalo, was bearing documents falsely identifying him as Alistair Campbell.

Between June 1988 and last November Thurston spent more than 7 hours in the company of Nigel Soobiah and telephoned him in Amsterdam and London at least 30 times.

He had three meetings with Nigel Soobiah. The first payment of 103,500 [as published] was made in September 1987.

The FBI special agent also explained, as already reported in L'EXPRESS, that an FBI team went to Amsterdam last year on a surveillance mission. In Amsterdam, Nigel Sevan Soobiah rode around in a white Mercedes 190, license plate 0351 FYN. He was shadowed in April of last year.

Mr Thurston was also questioned about the identity of two Americans, Mr Murphy and Mr Edelmänn. He explained that those individuals were lawyers who defended Nigel Soobiah in Buffalo.

The court also heard from Mr John Stally, /administrative manager/ of the Barclays Bank in Cambridge.

He said that he has known Soobiah for a very long time. He was questioned about a transfer of £48,222.48 from the Amsterdam/Rotterdam Bank to Barclays on 14 December 1988.

He added, "/that sum is still there in one form or another. I don't know if it is still the same amount./"

The prosecution made reference to a long list of witnesses. Among them can be found the high commission's two chauffeurs, Mr G. Oochit and Mr Peermamode.

In the documents introduced in the /Welsh Magistrate Court/ it is mentioned that Mr Oochit met Nigel Soobiah for the first time at Heathrow Airport's Terminal 2 in April 1988. He was arriving from the Netherlands.

Mr Peermamode picked Nigel up at the airport 10 or 12 times and drove him to the airport on 8 occasions.

The prosecution saw nothing irregular about the high commissioner having his son travel in an official car.

A representative from /City Bank/ [as published] will also be subpoenaed as a witness.

* UK High Commissioner Hears Islanders' Needs

90EF0033A Port Louis THE SUN in French
21 Sep 89 p 3

[Text] Over 90 percent of all islanders wish to return to Diego Garcia and from 70 to 75 percent have sold the land given to them by the government. British High Commissioner Michael Howell was so informed by Elie Michel yesterday morning at a meeting held at the islanders' community center in Pointe-aux-Sables.

The meeting was also attended by Richard Mochan, assistant to the British commissioner, Richard Edis, head of the East Africa Section of the Foreign and Commonwealth Office, and Selmore Chery, president of the Islanders' Trust Fund. It should be noted that Sylvio Michel also attended.

Speaking to those present, Howell expressed his pleasure at speaking with the community in his first meeting after arriving. He added that his visit to Pointe-aux-Sables was principally for the purpose of becoming acquainted with the living conditions of island families in the region.

For his part, Michel told Howell that 50 percent of the islanders want to return to Diego Garcia, while 7 to 8 percent wish to remain on Mauritius. Another 2 percent expressed no opinion. Michel said that from 70 to 75 percent of the islanders have already sold their land. One woman in the crowd said, "There wasn't enough money to buy food." Michel added that many islanders have died on Diego and are buried on Chagos.

Every year, he added, those living in Mauritius experience great nostalgia for their relatives and want to visit their graves. He said that 70 to 75 percent of the old people in the community can no longer work. With a pension of 280 rupees a month, they cannot meet the high cost of living in Mauritius. Many become involved in prostitution and drugs.

Accompanied by island officials, Howell, Mochan, and Edis also visited the home of two families in Pointe-aux-Sables: the Paquerette Botman family of 14 living in the same house and the Will Clement family of 9. It should be noted that the island delegation expressed a desire to meet with British Prime Minister Margaret Thatcher.

The matter of islanders returning to Diego Garcia is not an issue inasmuch as they have received compensation, British Commissioner Howell told THE SUN. He said the meeting with the island community was very important and interesting and added that the islanders' future is assimilation into Mauritian society.

*** CPU Operational, Purpose Defined**

90EF0033B Port Louis THE SUN in French
23 Sep 89 pp 1, 8

[Text] The Crime Prevention Unit (CPU) was officially launched yesterday afternoon at a press conference held in the Police Department library in Vacoas. It should be noted that the CPU already occupies a wing of the library.

Dass Runganaikaloo, chief inspector and head of the Police Press Office, introduced the members of the unit to the press. He said that the unit's formation is the result of a seminar on crime prevention held by the MGI [expansion unknown] from 7 to 11 August. Unit members chosen at the seminar will bear the heavy burden of fighting crime.

The establishment of the new police unit is not the result of the current crime rate, Runganaikaloo said. Rather, most preventable crimes are committed either because of a lack of precautions or basic provisions. The unit is an innovation characteristic of any evolving police force.

Runganaikaloo is asking for the public's cooperation. Launching of the Vigilance Committee is in no way an attempt to set up a parallel force. The CPU is a field unit whose main priority remains public awareness, the public relations director said.

Runganaikaloo said that Mauritius does not have the big-time criminals of other European countries. The

CPU cannot have a dramatic effect on the crime rate, but, nonetheless, it can exert influence. He cited hot spots such as the Sodnac region, where insurance companies no longer want to insure homes in certain districts. Because the police cannot be everywhere at once, the public's cooperation is essential.

For his part, Jayram Unmar, just promoted to the rank of chief inspector and head of the new unit, said that the system has been in operation in many countries for over 10 years in an effort to reduce crime. He cited the regions of Sodnac and Roches-Brunes as two high-risk areas where the CPU plans to divide the district into two zones of 20 to 40 homes each. A volunteer coordinator from the region could work closely with the Crime Prevention Unit. Before the new unit goes into operation, an information campaign will be conducted to inform the public of measures that would help reduce crime.

Unmar said that housebreaking can be prevented, while forgery and embezzlement are not as easy to control. The cooperation of residents is sought. The CPU will remain in regular contact with them, Unmar added. The system is mainly based on trust. The Crime Prevention Unit will encourage residents to obtain alarm systems.

The CPU is made up of Chief Inspector Gian Unmar and Sergeants Daniel Monvoisin, Anil Bookun, Muslim Moosbally, Lindsay Jean Louis, Gaetan Murthen, and Sulyman Taleb. It also includes Constables Stello Ladoce, Anerood Basant, Anand Prakash Needroo, Kistnah Ramasawmy, Siven Thapermal, Dinally Fareedun, Jean Alain Francis, and Sandiren Murugasan.

Crime Statistics 1984-1988

Crime Against Property	1984	1985	1986	1987	1988
Burglary	546	580	671	410	369
Robbery with violence	430	426	545	430	368
Armed robbery	8	24	18	12	6
Robbery with bodily harm	3	1	2	-	-
Robbery with aggravated circumstances	583	574	586	414	388
Arson	36	30	36	43	55
Criminal property damage	6	7	4	8	20
Embezzlement by public employees	28	18	7	23	27
Bribery by civil servants	9	5	16	10	10
Fraud	445	589	466	501	411
Extortion	-	1	-	1	2
Forgery	109	155	121	120	-
Currency	26	13	72	34	27
Total	2229	2423	2544	2006	1683

Criminal Statistics 1984-1988					
Crime Against Persons	1984	1985	1986	1987	1988
Murder, manslaughter	20	20	20	24	17
Attempted murder	-	3	2	2	4
Patricide	-	1	-	-	-
Murder of newborn child	-	1	1	-	-
Infanticide	-	1	-	-	-
Killing by beating	3	2	3	3	-
Loss of limb or eye	1	1	2	1	-
Abortion	7	10	11	8	2
Kidnapping of minor	-	11	-	-	1
Children abandoned by parents	3	1	4	5	4
Attacks on civil servants	24	20	23	14	26
Rape	24	20	25	42	33
Sodomy and bestiality	16	9	8	14	7
Sexual relations with girls under 12	2	1	4	1	-
Indecent assault	26	30	35	25	29
Total	137	124	153	148	130

*** Labor Shortage, Impact on Future Growth Cited**
90EF0033C Port Louis THE SUN in French
23 Sep 89 pp 1, 8

[Text] In his analysis of the future evolution of our economic development, the INSTITUTIONAL INVESTOR, a well-known monthly specializing in the publication of international economic news, emphasizes that economic expansion in the 1990's will be seriously thwarted by the shortage of labor.

In its September 1989 issue, the INSTITUTIONAL INVESTOR makes an in-depth analysis of the local situation, entitled "Mauritius: Managing the Next Phase of the Economic Miracle," and observes that "the most severe constraint on expansion in the 1990's will be manpower—not just skilled personnel but also the unskilled and semiskilled work force."

In his introduction to the article, author Tony Hawkins compares Mauritius with a mountain climber, using the colorful image to describe our present situation: "Mauritius, on the eve of the 1990's, is like a mountaineer who, having scaled one peak, pauses for breath while sizing up the next."

"There is near unanimity among Mauritian leaders on what needs to be done—make the difficult transition from a labor-intensive to a capital-intensive economy—though less agreement [exists] on precisely how phase two of the Mauritian economic miracle should be managed."

In addition, describing the Mauritian economic miracle, the periodical points out that it would not be at all exaggerated to say that there is no government in Africa—even among the "very developing nations,"

with the exception of the Asian "tigers"—that has managed its affairs with such success.

The article's author also comments at length on the local political situation and analyzes its effect on the country's socioeconomic life. In his opinion, our democratic system and democratic institutions are among the elements that have made a positive contribution to Mauritius' success.

"The island's history of shifting political alliances and volatile coalitions has not degenerated into political instability."

This situation results from two distinct facts, one of which is "the broad consensus" among political parties on the subject of "the island's future."

The other is that there is "a clear understanding of the 'rules of the game.' Politicians and coalitions may come and go, but business goes on as usual."

In a much more general context, Hawkins writes that we also owe our success to a good combination of luck, natural advantages—the beauty of our countryside, climate, the competitiveness of our sugar production costs, and the tourist sector—and efforts made by Mauritians themselves.

According to Hawkins, our good fortune resides in the Lome Convention, which allows Mauritius a sugar quota of 507,000 tons sold at a preferential price to the Economic Community, and our textile products' free access to the Common Market.

According to the periodical, Mauritius will need all the existing facilities "inherited or achieved in the next decade" to increase productivity and efficiency and thus

maintain its growth rate and the competitiveness of its products on the international market.

"The underlying strategy is inherently sound. The Mauritian track record inspires confidence in its future," Hawkins writes.

Heavy investments made in the telecommunications sector, road infrastructures, the airport, and, by extension, construction of a free port, as well as in professional training, mean that Mauritius will offer facilities and opportunities available nowhere else on the African continent.

Concerning the Offshore Banking project, the periodical notes that there is no Offshore Banking center on the continent of Africa and adds that "no country is better placed, better prepared and better suited than Mauritius to interface between the 'tigers' of southeast Asia and sub-Saharan Africa."

However, in the chapter on what he calls the "real problems," Hawkins emphasizes that "manpower development is painfully slow and will be both a long and costly business."

"In a nutshell, labor availability will continue to be a major constraint on Mauritian growth."

"There is no more reliable guideline to future performance than past achievement. The Mauritian track record inspires confidence in its future."

Mozambique

* Military Cooperation With Portugal Explored

* Portuguese Elite Corps

90EF0036A Lisbon SEMANARIO in Portuguese
7 Oct 89 p 20

[Text] Officers from the paratrooper and commando corps are forming elite units to defend industrial facilities and "sensitive zones." The officers in question are either in reserve status or "have left the service," and are specialists in counterinsurgency and "strategic staffing for the defense of nearby areas."

The first paramilitary corps of this nature had already been activated when Cavaco Silva visited Mozambique last week. This unit is composed of about 80 men, whose mission is to keep the metals industry (specifically, the Mozambican steel industry) from being damaged during its operations by Renamo [Mozambican National Resistance] attacks or sabotage.

A second corps, with the same objectives, will be set up during the next 4 weeks under the leadership of a former Commando operations officer, who was expected to arrive in Maputo last Monday.

This type of defense staffing will make it possible for work to resume at Lusite, a major factory of prefabricated components located about 20 km from the Mozambican capital.

Military Cooperation With Mozambique

During the visit by Prime Minister Cavaco Silva to Mozambique, the Portuguese side made a point of reaffirming that "the involvement of regular Portuguese forces" in Mozambique is out of the question. The first statement to that effect had been made by Soares Carneiro even before Cavaco Silva's arrival in Maputo. However, during a ceremony on Friday afternoon at which several cooperation agreements were signed, Cavaco Silva attached special importance to the presence of the Armed Forces chief of staff. As it happened, the prime minister was speaking after the protocol secretary had announced the gist of the agreements mentioned—none of them dealing with military cooperation.

At the press conference following the ceremony, Joaquim Chissano answered a reporter's question on this point by saying: "...A protocol on military cooperation, concerning logistics and training, already existed and is still in effect." On leaving the ceremony, Soares Carneiro told us that perhaps it didn't make much sense to talk about military agreements when "the entire political approach taken by the Portuguese prime minister has been based on Portuguese willingness to participate in a plan for peace in Mozambique."

It is also true that Cavaco Silva twice referred publicly to the problem of Cahora-Bassa (which represents the biggest national investment anywhere in the world), and linked the rehabilitation of that project to the peace process. The rehabilitation of the dam depends requires replacement of the electrical power lines leading from it, and that work is classified as sensitive. Given the impossibility of involving regular Portuguese forces in security operations, the method outlined is similar to what has been adopted by major industrial facilities on the outskirts of Maputo; the companies themselves, in cooperation with U.S. interests, have set up strategic security units.

The cost of the pilot experiment with the so-called "nearby defense action" protecting the Mozambican steel industry will represent about 10 percent of production costs. But, until a ceasefire is reached between the parties to the conflict, it is cheaper to pay for security than to have production halted, say those who back this defense strategy that is intended to neutralize Renamo's room for maneuver.

* Portugal Offers Training

90EF0036B Lisbon EXPRESSO in Portuguese
21 Oct 89 p 20

[Text] Portuguese Air Force officers may replace the Soviet military personnel who are now giving courses for paratroopers in Mozambique, diplomatic sources have told EXPRESSO.

This is just one of the areas in which Portugal has showed a willingness to cooperate with Maputo in the military field, following the contacts made with Mozambican officials on the occasion of the visit by Prime Minister Cavaco Silva and Armed Forces Chief of Staff Gen Soares Carneiro.

Potential areas of military cooperation with Mozambique encompass a broad range of actions involving all the branches of the Armed Forces, but under no circumstances—say our sources—would they entail direct involvement in operational activities.

From technical advice to manpower training in both Portugal and Mozambique, through the furnishing of logistical materials and military documentation—especially on regulations and doctrine—the parties made several proposals and suggestions to each other, which are now being studied jointly by military authorities and the government.

Luso-Mozambican Cooperation

The training of Mozambican "commando" troops in Portugal is one of the actions under consideration. In the area of the Army, it is also expected that support will be given to the creation of a Practical School of Logistics, as well as for the reorganization of the Military Health Service of Mozambique. As for the Navy, Portugal may take an active role in overhauling the fixed and mobile maritime communications system and help train men to restore the existing equipment at Metangula.

The set of initiatives now under examination will represent significant progress in Luso-Mozambican military cooperation, which began with a visit to Portugal in March 1988 by Mozambican Armed Forces Chief of Staff Gen Hama Thai.

Right now, there are 25 Mozambican students attending Portuguese military academies. In addition, one medical officer, a major, is doing specialization studies in neurology at the Egas Moniz Hospital. It is possible that 12 additional military men may attend the general course in air warfare during the current academic year. Other training activities—now awaiting high-level decision—include assistance with the training of commando and paratrooper elements. That would involve training some of the instructors in Portugal. It is also proposed that the Portuguese Armed Forces assist in the restoration of military infrastructures in Mozambique.

Zimbabwe

*** Joint Venture With Japanese Auto Companies**

34000064b Harare THE HERALD in English
27 Sep 89 p 1

[Text] Trucks and cars with more Zimbabwean components will now be made by Willowvale Motor Industries

following the signing yesterday of a \$5 million agreement between WMI and Japanese giants Mazda and C. Itoh and Company.

Mazda, one of the largest vehicle manufacturers in the world, and C. Itoh and Co. a trading conglomerate, received a 33 percent stake in WMI for their investment. Under the agreement technology will be transferred, more components will be made or finished in Zimbabwe, and the manufacturing plant will be modernized.

The agreement should help reduce vehicle shortages drastically in 18 months, the Acting Minister of Trade and Commerce, Vice-President Muzenda, said at the signing ceremony.

He also announced that more foreign currency was being made available to import vehicle kits as an interim measure while the Government's rationalization and expansion plan, announced in 1986, gathered momentum.

A variety of Mazda vehicles were displayed outside the venue for yesterday's signing ceremony, including the 323 and 626 cars, both of which will be assembled in Zimbabwe, and the 929 luxury car.

Also on display were a wide range of commercial vehicles including trucks, pick-ups and panel vans, many of which are also to be made in Zimbabwe. Commercial vehicles will have priority in the initial stages of the expansion programme.

At yesterday's signing ceremony were: Vice-President Muzenda, IDC general manager Mr Cornelius Sanyanga, Mazda Motor Corporation managing director Mr Keji Asano, WMI managing director Mr David Gibson, Itoh general manager (automotive department) Mr Yotchi Shoji, and Japanese Ambassador Mr Ken Ikebe.

The Japanese businessmen said the partnership would be productive.

Four projects had been identified for initial implementation within the joint venture agreement signed yesterday, said Mr Gibson.

An engine assembly plant would be set up and this would lead to more and more local manufacture of engine parts. A facility to make automotive wiring harnesses would be set up and a press shop to stamp vehicle parts from sheetmetal would be built. Existing manufacturing plant, most of which was 28 years old, would be modernized.

Both Cde Muzenda and Mr Gibson said that faced with the need for more vehicles and the shortage of the necessary currency if mere assembly was to be continued, the Ministry of Industry and Technology announced in March 1986 a reform package.

These reforms would comprise a review of importers and franchised dealers and the rationalization and standardization of vehicles.

During the next three years Willowvale investigated and evaluated manufacturing proposals presented by leading manufacturers of vehicles.

It became obvious that if there was to be a meaningful transfer of appropriate technology then WMI would have to enter into a joint venture partnership with a world-class manufacturer.

The Government agreed in June to the proposals put forward in December last year and which made up the agreement signed yesterday.

Cde Muzenda stressed in his speech the need for more local manufacture of components, a key part of the 1986 reform.

The Government was determined to see transport problems solved and so had given more currency for importing kits. But such imports were a short-term measure.

"A recent study of local engineering companies has shown that our capabilities and capacities to manufacture vehicles components have remained unrealized for the past 10 years."

Many projects for such manufacture were now at various stages of implementation, said the Vice-President.

He said that if the engine-assembly project was implemented by the first half of next year then transport problems could be drastically reduced in 18 months.

* Bulgarian Barter Trade, Prospects Reviewed

34000065D Harare THE FINANCIAL GAZETTE
in English 29 Sep 89 p 3

[Text] Despite various arguments made locally against barter transactions with foreign trade partners, a Bulgarian trade official this week defended the system of barter deals and dismissed claims that inferior goods were exported to Zimbabwe under this scheme.

In an interview with the Gazette this week, the commercial counsellor at the Bulgarian Embassy, Mr Ludmil Todorov, said that his country has never exported "shoddy" products to Zimbabwe under barter deals, and there have been very few complaints over the quality of goods imported from Bulgaria.

"We have never been given any proof by those who see barter deals as instruments of bringing in substandard products into this country," he said.

Goods imported into Zimbabwe from Bulgaria—whose main trade with this country is through barter transactions—have mainly been high-tech articles such as computers, and machine tools, refrigeration compressors, and medical equipment, Zimbabwe's export commodities under barter deals have mainly been tobacco, coffee, and asbestos.

Mr Todorov said barter transactions had proved to be a good method of solving the problems of hard currency, and had also served to establish Zimbabwean goods—which he said tended to be overpriced—in the Bulgarian market.

With some fluctuations, total trade between Zimbabwe and Bulgaria had increased steadily from approximately US\$9.9m in 1984, to US\$10.5m in 1988, although Mr Todorov believes that the volume of trade could have been much higher.

"For some time, barter will remain the mainstay of our trade relations with Zimbabwe, and we intend to include finished goods from Zimbabwe in future deals," he said.

Bulgaria is also involved in a number of joint ventures with local organizations, including a joint mining exploration project in the Mudzi-Rushinga area with the Zimbabwe Mining Development Corporation (ZMDC), and a farming venture with the Agricultural and Rural Development Authority (Arda).

A number of Bulgarian technical experts have been seconded to Zimbabwe, mostly in the technical field, and there are currently more than 40 technical Bulgarian lecturers in Zimbabwe.

With the fifth session of the joint Zimbabwe-Bulgaria committee scheduled to take place early next year, Mr Todorov said that further areas for the expansion of trade will be examined, including the possibility for commodity-import programmes for Zimbabwe.

* Mozambique Owes \$40 Million for Railway Work

34000065E Harare THE FINANCIAL GAZETTE
in English 28 Sep 89 p 1

[Text] The National Railways of Zimbabwe [NRZ] is owed \$40m by the Mozambican Government for work which has been completed on the Machipanda rail route, the Deputy Minister of Transport, Senator Amina Hughes disclosed last week.

She said the Machipanda corridor was still facing a number of problems and is being under-utilized, and the \$40m still owing to the NRZ for work done was one of the problems faced by the Ministry.

"This is a lot of money, because it means that we have already paid the money and we have done work. We are paying interest for the money which we have loaned, and we are waiting for it to come. These are all things that go to make our deficits so great and our losses so big," she said in the Senate.

In answer to a question raised by Senator Dennis Norman, who said that entry to Zimbabwe through the Harare International Airport was "nothing short of a disgrace", Senator Hughes said she was hopeful that a definite trend for the better operation of Air Zimbabwe

would soon emerge. Air Zimbabwe's losses are anticipated to rise by 50 percent from \$10m to \$15m this year.

On a question as to the years of experience of people currently working in NRZ workshops, Senator Hughes admitted that approximately 70 percent of the trained artisans in NRZ workshops only have four to five years experience.

Answering questions on NRZ losses, Sen Hughes disclosed that the hiring of wagons from South Africa is costing about \$10m annually, saying that the railways will continue to incur losses until it is able to charge economic tariffs. At present, the railways subsidizes the carrying of passengers, crops, and minerals.

At present, NRZ has about 340 diesel locomotives of 13 varieties, and currently only 120 are operational—against an ideal situation where at least 158 locomotives should be working at any one time.

*** Agricultural Producer Price Changes Issued**

34000064A Harare THE HERALD in English
27 Sep 89 p 1

[Text] Cotton growers will receive a pre-planting price of \$1 a kg for the next production season and a record wheat crop is expected this year, the Government announced yesterday. A 15 percent price difference in white and yellow maize is to be re-introduced next year.

The marketing of red sorghum will be changed next year to encourage processors to make direct contacts with growers so long as the Grain Marketing Board [GMB] was informed. These contract agreements would be confined to natural regions three, four and five and should include communal and small scale producers.

In a policy statement last night, guiding farmers on what crops to emphasize in the next agricultural season, the Minister of Lands, Agriculture and Rural Resettlement, Cde David Karimanzira, said all decisions had been taken after careful consideration of what the three farming unions and the Agricultural Marketing Authority had said.

After cotton farmers had expressed disappointment over the producer price given to them in April of 92,5c/kg for class A seed cotton, the Government had decided to review the issue. While not changing the price for cotton delivered this season, a pre-planting price of \$1/kg for next season was given.

"The production of seed cotton has assumed major importance in recent years because of its foreign exchange earning capacity, the contribution of rural incomes particularly in more drought prone areas, employment in the textile industry and the provision of vegetable oils and animal feed," said the minister in explaining his decision on pre-planting price the first in a number of years.

Cde Karimanzira said the price was open to further reviews next year.

While it was too early to predict the final wheat crop, the minister was optimistic that there would be a record crop. Because the crop remained of critical importance, it was equally important that confidence be maintained. The producer price of wheat this season is \$400/tonne, up by \$35 a tonne.

On white maize, the minister said producers had submitted proposals of a two-tier price system to reduce over-production. But the disadvantages of the proposals outweighed the potential benefits and he had not accepted them.

However, he was prepared to reconsider the price system should the need arise. Cde Karimanzira also refused to decontrol yellow maize because it was likely to "lead to considerable uncertainties in the maize market, which would have serious repercussions on white maize production".

He, however, relaxed the present restrictions on farmer-to-farmer sales, provided the GMB was notified of all transactions and provided these were within farmers association areas. This would help to keep prices of stockfeeds down and encourage on-farm mixing of feeds.

By decontrolling yellow maize, farmers had hoped to let the market determine the price. But most high-yielding varieties were yellow and if the crop had been decontrolled, there was a fear of commercial farmers changing to the better-rewarding maize, leaving the communal farmers to produce white maize.

On sorghum and millet, the minister noted that the GMB had incurred heavy losses owing to a build-up of stocks of red sorghum. Therefore the producer price of white sorghum would remain the same as that of white maize at \$215/tonne.

His ministry and the GMB would continue to explore viable ways of using more white sorghum in baking bread.

*** Gold Dump Recovery Project Progressing**

34000065A Harare THE FINANCIAL GAZETTE
in English 22 Sep 89 p 10

[Text] The six-month commissioning stage of Rio Tinto's Cam dump project began last Friday, when the first ore was poured.

The project, with a capital outlay of \$15 million (\$8 million foreign currency), is designed to increase the capacity at Eiffel Flats from 150kg of gold a year to 650kg. This—at today's prices—would earn the country an additional \$13,5 million a year and account for 3 percent of the country's annual gold production.

Rio's group executive director for development, Mr Chick Bohomke, said after a tour of the plant that the life

span of the dump was calculated at between seven and nine years, and added that further research was being carried out on the "red" dumps. The dumps presently being worked on are the "grey" dumps and are estimated at around six million tonnes.

The plant is expected to be commissioned next April/May.

*** Gold Panners Cause Income Loss, Damage**

34000065B Harare SUNDAY MAIL in English
24 Sep 89 p 1

[Article by Never Gadaga]

[Text] The glitter of gold alluvial in the Mazowe River has lured more than 30,000 people mainly from Murehwa and Mutoko districts despite the hazards involved and exploitation of the gold panners by dealers.

According to the District Administrator for Murehwa, Cde Thomas Mungate, peasant farmers and their families in the districts have trekked to the north in search of a fortune on the steep banks of the river.

He said the gold rush had not only disturbed the social fabric of the region in terms of spiralling absenteeism at schools, but had also carved its ugly mark on the river's ecosystem.

According to the Small Scale Miners' Association, Zimbabwe was losing more than \$45m annually as a result of illegal gold mining in the country.

Cde Mungate said the panners along the river had caused irreversible environmental mutilation since the indiscriminate digging of the river had resulted in erosion and siltation.

The panners, he said, drifted to the river banks from as early as April resulting in the mushrooming of squalid grass and pole huts totalling 15,000 dotted along the river.

"We have had cases of illicit beerbrewing and starvation since some of them have no food supplies to last them for a fortnight—the time gold dealers take before they visit the camps to buy gold. The dealers blackmail the panners of their hard-earned gold at \$23 per pen's lid. They resell it at higher prices at the local bullion market," he said.

He said that since the gold rush started shortly after the liberation war, there had been many cases of careless gold panners who had lost their lives in the 6-10-meter-deep holes because of shifting soils on the river beds.

Some of the gold dealers, Cde Mungate said, were reported two weeks ago to have threatened legal action against panners and the district authorities after he (district administrator) warned the panners that they were being robbed of their gold.

In Pfungwe, a village health worker said that there were outbreaks of malaria, diarrhea and bilharzia among the squatters. Some of the children had been victims of kwashiorkor.

*** Tar, Benzole Factory To Save Foreign Exchange**

34000065C Harare THE FINANCIAL GAZETTE
in English 29 Sep 89 p 1

[Text] Zimchem Refiners, a new joint-venture company with local and foreign shareholders has obtained government approval to embark on a \$60 million project to build and operate a tar and benzole refinery in Zimbabwe. A company spokesman told the Gazette this week that the refinery products would be heavily biased towards import substitution, and would generate foreign-exchange savings in excess of \$15 million per year. Several products would also be exported, providing foreign-exchange earnings of about \$10 million a year. The plant is expected to be on stream by 1991.

The technology for the project was being provided by Otto-Simon Carves [OSC], a leading British process-engineering contractor in the field of coal chemical technologies.

The company (OSC) would also be responsible for the plant construction and commissioning, with most of the equipment supplies and construction services provided by companies in Zimbabwe.

The refinery workforce, including management, chemical engineers, industrial chemists, plant operators and maintenance engineers, would be recruited locally and trained by OSC over a period of several years.

In addition to job creation within the construction industry and the company itself, the project would also lead to significant job opportunities in downstream industries and in the distribution and application of new products.

Currently Zimbabwe has two metallurgical-coke production facilities, at Wankie Colliery and Zisco. Both plants process coking coal to produce coke and a range of bi-product chemicals, including crude tar and crude benzole.

Wankie and Zisco (Zimbabwe Steel Company) coke plants are capable of producing about 40,000 tonnes of crude tar and 10,000 tonnes of crude benzole per year. "In their crude form, coal tar and benzole are of modest value and of limited use. Currently some benzole is blended into motor fuels while tar is used as low-grade road dressing or simply burned as industrial fuel," the Zimchem Refineries spokesman said.

"However, both of these crude chemicals can be refined to produce a multitude of high-value products, most of which are currently imported into Zimbabwe. These include pure benzene, toluene, xylenes, naphthalene, light and heavy industrial solvents, wood preservatives,

anthracene, pitch of various grades, and a range of high-grade road tars and compounds," he said.

The Zimchem project represents an important step towards the development of a major coal-based organic chemicals industry in Zimbabwe. "The company and its products will also provide the nucleus for many further developments, attracting coal resources in an environmentally clean and responsible manner," the spokesman said.

The shareholders of the company include Zisco, Wankie Colliery, IDC [Industrial Development Corporation], OSC [expansion unknown] and the Commonwealth Development Corporation (CDC), with the local companies holding the majority shares.

The project was of national importance and had the full backing of the Ministry of Industry and Technology, the spokesman said.

Benin

* Kerekou Adopts New Ways To Improve Image

34000138a Lagos THE AFRICAN GUARDIAN
in English 2 Oct 89 p 9

[Article by Tunde Oguntoyinbo; "Now a New Deal"]

[Text] Mathieu Kerekou was finally experimenting with other ways of settling matters. In freeing several prisoners last week and ending a ban preventing civil servants and military personnel from travelling within or out of the country, the Beninese leader was, in a way, attempting to walk away from his widely publicised strong-arm posture of the past few months.

So magnanimous indeed was Kerekou in his latest move, he also ordered immediate payment of civil servants' back log of salaries and students' bursary awards. Non-payment of those salaries and bursaries was what led to the recent nationwide strikes which paralysed the economy. However, it is believed that he (Kerekou) has been under pressure, from creditors overseeing his back-breaking austerity measures, to open up the system and to improve his human rights image.

Kerekou, who only last August got another five-year "mandate" to rule his roughly five million people, has been grappling with serious economic and political problems in his 14-year reign. And while those problems relating to the economy appear insurmountable, on the political front, Kerekou still wields a lot of influence. For one thing, he had taken care of most of his opponents, among them Captain Michael Ayikpe, one of the chief authors of the 1972 coup that brought him to power. Ayikpe died in mysterious circumstances, according to the government, following his arrest for making sexual advances to Madame Kerekou.

Indeed, when Kerekou, then a general, retired from the army in 1987 to become a civilian president, he made no pretence of his determination to deal with opponents. He found a good loyalist in Mama Djougou, army chief of staff and commandant of the northern camp in Kandi. He, (Djougou) and his troops are the only ones in charge of arms and equipment. It is not a coincidence therefore, that they provide the backbone of the crack Garde-Présidentielle battalion, the troops responsible for security of the government. Other than this, any insurgency can be contained with the support of Kerekou's North Korean "advisers"—one of the few gains of his marxist leaning.

Observers are not so sure, however, that Kerekou's tight grip over this small West African republic will be sufficient to stem the possibility of insurgency. And according to a top Beninese government source, young military officers trained in the Eastern bloc are still irked by non-promotion to deserved ranks. Nor is the avowed socialist government of Kerekou any more friendly with the country's press.

Only last week, about 50,000 copies of LA-GAZETTE—one of the country's independent newspapers—were confiscated for publishing an opinion poll confirming widespread agreement that there was foul play in the conduct of last month's election, ironically claimed by government to have "reaffirmed the people's love" for Kerekou's government. The government had earlier accused the state owned electronic media of misusing funds made available to them for official image-making for the government. On their part, the workers invited the president to visit their studio and "see for himself" the unbecoming state of their broadcasting equipment.

In recent times, owing to economic difficulties, government investments have been systematically slipping into the hands of foreigners. A good example is the Benin Brewery, Labaninois, and the seaport which had both been taken over by foreign management. Moreover, two major financial institutions, the Benin Development Bank and Benin Commercial Bank went into liquidation in May. Besides these, two other foreign banks, the famous French-owned International Bank for West Africa, IBWA [International Bank for West Africa], and the New Eco Bank also left Benin Republic about the same time.

The picture is not totally bleak for the Kerekou's government. Grants have come from some foreign countries including Nigeria, her nearest neighbour, which doled out a life-line aid worth over N22 million. It also got close to 50 million CFA francs (about N1.18 billion) from International Monetary Fund (IMF).

Ghana

* Tawiah Pays Tribute on Nkrumah Birthday

34000061d Accra GHANAIAN TIMES in English
20 Sep 89 pp 1, 3

[Article by Francis Kokutse and R. Harry Reynolds]

[Text] A three-day international symposium organized by the National Co-ordinating Bureau of Revolutionary Organs and the Centre for World Mathaba to commemorate the 80th birthday of Dr Kwame Nkrumah, First President of the Republic of Ghana, opened in Accra yesterday.

The symposium, which has 'The Thoughts and Practice of Dr Kwame Nkrumah in the Context of Liberation Struggle Against Apartheid and Zionism' as its theme, is being attended by participants from all over the world.

Opening it, Mr Ebo Tawiah, member of the PNDC [Provisional National Defense Council], observed that the greatest tribute that could be paid to the thoughts and practices of Osagyefo Dr Kwame Nkrumah was the resolve to continue the struggle he and others began several decades ago.

"The philosophical foundations of Nkrumah's thoughts and actions," he said, "were deeply rooted in the struggle for total liberation of which he himself was a part," Mr Tawiah said.

Recounting Dr Nkrumah's belief that the basis of colonialism was economic, the PNDC member criticized the powerful nations for using their sophistication to "super-vise and direct" impoverished economies and use the huge profits they reap from manipulating the international commodity market to "finance the brutal oppression of our struggling peoples."

Citing Mozambique, Angola, Namibia, South Africa and Palestine as some of the world's hot spots, Mr Tawiah said in all those cases, "the legitimate struggles of the people to control their own God-given natural resources are frustrated by bandits armed and fed by resources ploughed by imperialism from exploiting our cheap labour and low commodity prices."

He stated that the daily massacre of Namibians and South Africans with the support the Pretoria regime received from its "economically strong allies" was similar to the "covert and overt manoeuvre of imperialism to keep the Palestinian peoples under the inhuman Zionist brutality."

The PNDC member recalled Dr Nkrumah's warning to open the OAU [Organization of African Unity] Summit in 1965 that imperialist exploitation and subversion of African states was the same forces which bred armed conflict and other troubles on the continent.

Mr Tawiah urged participants to the symposium not to use it to only castigate imperialism, apartheid and zionism, adding that "current international situation calls for fresh initiatives, realistic strategies and closer co-operation."

In a welcome address, Mr Kofi Totobi Quakyi, Special Assistant for Political Programmes said, apartheid and zionism had formed an axis and were attempting to stretch their baneful influence across wider areas.

"There is the need therefore to define the character of this Siamese-twin evil and to understand its modus operandi," he added.

*** Trade Agreement With Romania Concluded**

34000061a Accra GHANAIAN TIMES in English
15 Sep 89 p 1

[Article by Francis Kokutse]

[Text] Ghana and Romania yesterday agreed to increase the volume of trade between them to a target of 50 million dollars by 1991 under a trade protocol signed in Accra.

An agreement of mutual promotion and guarantee of investments, the first with an Eastern-Bloc country was also signed.

The two agreements followed four days of talks held between the two countries at a review meeting in Accra.

Dr E.G.A. Don-Arthur, Secretary for the State Committee for Economic Co-operation, signed for Ghana, whilst Mr Ion Nicolae, leader of the Romanian delegation, signed for his country.

Speaking after the signing ceremony, Dr Don-Arthur observed that the review meeting had achieved its objective.

He was hopeful that the agreement to protect investment would help increase participation in Ghana's private sector.

Romania, he announced, would also assist the country to exploit bauxite.

On his part, Mr Nicolae stated that the agreement signed would not be left to remain on paper.

*** GHANAIR Studying Disposal of Aircraft**

34000061b Accra PEOPLE'S DAILY GRAPHIC
in English 15 Sep 89 p 1

[Article by Kofi Yeboah-Agyemang]

[Text] The Ghana Airways Corporation (GHANAIR) has now grounded one of its two Fokker F.28 aircraft acquired 17 years ago.

The decision to ground the aircraft is to avoid further losses to the corporation due to its high operational costs, pending a final decision on its disposal alongside two other aircraft, another F.28 and DC-9.

The other F.28 acquired since 1982 is also draining the corporation's resources, whereas the DC-9 will not be allowed in European air space by 1990 due to a new legislation on noise levels by the International Civil Aviation organisation, and also rising cost of maintenance of the aircraft.

Sources close to the Ministry of Transport and Communication and GHANAIR told the GRAPHIC that by this bold decision, the corporation will make some substantial savings.

It indicated that as part of efforts to cut down operational costs, the corporation recently chartered a special flight and organised another flight to clear the backlog of passengers from Europe.

The chartering of the special flight, the sources noted, was due to shortage of crew by GHANAIR as some of the few pilots left were indisposed.

It would be recalled that the management of GHANAIR has for some time now been holding series of discussions and negotiations with the board of directors, officials of the State Enterprises Commission (SEC) the Ministry of

Transport and Communications as well as manufacturers of aircraft over the disposal and acquisition of aeroplanes.

* Retrenched Workers To Get Farming Loans

34000061c Accra GHANAIAN TIMES in English
27 Sep 89 p 1

[Article by Frank Otchere]

[Text] The government is to disburse about c690 million as loans and inputs to redeployed workers opting to go into agriculture and small-scale farmers in the country within the next three years under PAMSCAD [Program of Action to Mitigate the Social Cost of Adjustment].

Initially, c5 million has been released to every region except Greater Accra to help resettle redeployed workers in agricultural ventures.

Mr I. Kwakwa-Sarpong, Ashanti Regional Director of Agriculture, disclosed these at a lecture on 'Credit Facilities Under PAMSCAD for small-scale farmers' at a two-day briefing course on PAMSCAD here yesterday.

He indicated that 20,800 people out of a total of 60,000 unskilled workers retrenched from the Public Services had opted to go into farming.

Mr Kwakwa-Sarpong said the redeployed workers were being resettled on block farms and family lands.

Under the programme, the Extension Services Department of the Ministry of Agriculture and the Ministry of Mobilization and Social Welfare had been tasked to provide modern farming technology and training to farmers, identify and mobilize interested redeployees into working groups, he said.

The Agricultural Development Bank (ADB) would handle the credit aspect of the programme, Mr Kwakwa-Sarpong stated.

Nigeria

* Babangida's Creation of Two Parties Endorsed

34000142B Lagos DAILY TIMES in English
12 Oct 89 p 12

[Text] There are those, well-meaning moralists and idealist democrats, who may feel disturbed by the fact that the actual selection of the two parties under the grassroots democratic two-party system was made by government. They may regard such a move as unusual, as peculiar and as an abortion of the natural evolution of democracy.

This position certainly has some merit. But we make bold to assert that it is Utopian to the extent that it ignores the reality of the situation on the ground. Nigeria's problems are quite peculiar. They cannot be solved by textbook recipes alone.

In the end what should be of paramount importance is not how the two parties come about but how well their philosophies, principles and goals are capable of minimizing, or eradicating entirely, those sordid sides to our politics that have time and time again thwarted our progress towards political emancipation. We believe that the grassroots democratic two-party system (GDS) has this potential.

What should, therefore, engage our attention is how to ensure that the GDS achieves maximum success. This has become particularly important because NEC [National Electoral Commission], which should normally engage itself in arranging and holding elections, has now been saddled with the task of implementing the new political programme.

The primary challenge facing NEC in its new task is how to ensure that the basic infrastructure for the GDS are put in place as quickly as possible. Paramount in this regard is the development of manifestos, constitutions and symbols appropriate to the avowed ideological leanings of each party within the agreed principles that should guide our national life.

Another area that will be decisive to the GDS is public enlightenment. We must realize that the new political programme is probably as distant from our past experience as snow was to a Bantu warrior. In as much as grassroots participation forms the bedrock of the new system, it is essential that everyone be clearly told the "why" and the "how" of the programme. The basic message must be that although the two political parties were decreed by government, they are Peoples Parties, not government parties. It must be emphasized that government involvement became necessary as a last resort to rid the political system of its sordid aspects and that officialdom will be gradually phased out as the people themselves take full control of the two political parties.

In this regard, we urge NEC to avail itself of the effective lines of communication with the people that have been put in place by our budding politicians. While there is a need to pursue fresh orientation in our political thinking, NEC officials must avoid the temptation of seeing grassroots activities of politicians as attempts to steal their thunder. The goal must be how to achieve effective widespread enlightenment and in pursuit of this goal, all positive effort, from whatever quarters, must be warmly embraced and actively encouraged.

The initial administration of the political parties will be carried out by administrative secretaries to be appointed by the Federal Military Government. This aspect of the GDS is crucial because a wrong choice at any of the three levels can derail the entire programme. The secretaries must be men and women of proven integrity. Even after the appointments are made, government must not hesitate to replace any secretary found wanting.

Having said all this, we strongly urge government, especially its military arm, and the rest of society, to resist the

temptation to indulge in the incessant politician-bashing which has now become fashionable. Even as we condemn the excesses of our politicians, we must not lose sight of the fact that someone must man the shop. If our goal is to ultimately install participatory democracy, civilian politicians, not military leaders, will have to be entrusted with this task in the final analysis. It is, therefore, in the national interest that we work from now, diligently and deliberately, to restore the dignity of the politician so that true patriots may be attracted into politics. This is the only way we can guarantee success of our new experiment at creating a viable, respectable and forward-looking socio-political order.

*** Government Move To Name Two Parties Criticized**

34000143C Lagos *THE GUARDIAN* in English
12 Oct 89 pp 1, 2

[Article by Tajudeen Kareem]

[Text] Chief Emeka Odumegwu-Ojukwu praised the government yesterday for evolving a new political formula, but berated it for foisting it on the nation.

He was particularly skeptical about the feasibility of the two political parties prescribed by the Armed Forces Ruling Council (AFRC) and the idea of the National Electoral Commission (NEC) drawing up manifestos for them.

Ojukwu, the Ikemba of Nnewi, speaking in Ibadan at the launching of the prison memoirs of Chief Ebenezer Babatope entitled "Inside Kirikiri", said it was undemocratic for the government to form political parties for the people.

Noting that the two parties—National Republican Convention (NRC) and Social Democratic Party (SDP)—will lean slightly to the right and the left, he asked rhetorically: "What happened to the center?"

As eloquent as ever, Ojukwu held the full house at the conference center of the University of Ibadan (UI) in rapt attention, as he pleaded with the government to review its decision to "ban and exclude" certain politicians.

He advised the NEC to solicit the participation of many Nigerians in writing the manifestoes.

In an allusion to his latest book, "Because I am Involved," Ojukwu remarked that his presence at the launching of the 134-page book, published by Fourth Dimension Publishers, was because he was "truly involved" and tied to the author by "bond of adversity and suffering."

"I'm here to give hope to those suffering under bondage and those yet to suffer, to struggle for social justice and improved conditions for the common man. I stand here as a comrade in struggle to establish an enhanced people's sovereignty," he said.

Turning to Babatope, Ojukwu said: "You have added a most important testimony to the injustice of our time."

He described the ceremony as the "celebration of the author's triumph over death".

Ojukwu, himself a former detainee, said: "The purpose of prison is simply to mount an assault on the mind of the detainee" and likened Kirikiri prison to "a school where efforts are made to dehumanize those the authority wants to make mad."

He urged the government to release "all prisoners of conscience, including lawyer Gani Fawehinmi and the 11 NEPA [National Electric Power Authority] workers now serving a 10-year jail term."

Ojukwu advocated a review of prison conditions, suggesting improvements to reduce overcrowding, promote hygiene, accord privacy to inmates as well as categorize and separate prisoners by sex and age.

Nobel laureate Professor Wole Soyinka, who launched the book, added a dramatic touch to the ceremony when, instead of the common money gift, he donated four books and other "essential companions of a detainee".

The gesture was jocularly described as "new-breed launching" by the master of ceremony, Mr Gbolabo Ogunsanwo, a former Sunday Times editor.

Soyinka's gifts included a bottle of Brandy and a roll of cigarettes, a packet of candles, a match box and a bottle of disinfectant.

Shortly before launching the book, Soyinka described the hunting of those perceived as dissidents by security agents as an exercise in futility.

He explained that his praising the government's decision to float two political parties did not mean a declaration of his intention to mount the soap box.

"The opportunity I speak of is that I am going to explore new avenues of politics and by teaming up with like minds, make newbreed politicians aware of people they will govern," he said.

Describing Babatope's book as "a work of far-reaching significance," Chief T.O.S. Benson, who donated N10,000, said a prison experience could be both "traumatic and rewarding."

His words: "Detention houses are not hotels of comfort but true works such as Babatope has produced are some of the changes introduced for a better life in detention."

Chief Arthur Nwankwo, the publisher who wrote the foreword, blamed past governments for using coercion to rule.

He said he published Babatope's book "not only because of his personal experience in prison, but also because he constitutes a plea for sanity."

At the ceremony were Chief Bola Ige, Second Republic Governor of Oyo State, Chief Godwin Dabo, Dr Chuba Okadigbo, Chief Olu Akaraogun, Chief Segun Osoba, Chief Tola Adeniyi and Reverend Emmanuel Alayande.

Also there were Professor Jacob Ade Ajayi, Dr Niyi Osundare, Dr Tunde Fatunde, Professor Ayo Ogundoyin, Chief Areo Oyejoba, Dr Bayo Banji, Ola Oni, Mr Yemi Faronbi, Peter Ajayi, Mr Felix Adeniyi, Chief Oluwole Awolowo and Chief Lekan Balogun.

* Ajaokuta Steel To Receive \$500 Million Loan

34000142 Lagos *DAILY TIMES* in English
12 Oct 89 pp 1, 14

[Article by Kemi Babalola]

[Text] Nigeria will receive 500 million US dollars (3.86 billion) from the World Bank and the IMF to finance the second phase of Ajaokuta Steel project.

An agreement to this effect, it was gathered in Lagos, was reached in Washington last week between Nigeria, the World Bank and the IMF.

The second phase of the project which would commence immediately after the completion of the first phase would enable the company to produce flat steel sheet.

A source at the Mines, Power and Steel Ministry said the World Bank agreed to give further loan because Nigeria has now agreed that the Ajaokuta Steel Company will produce flat sheets.

As at now, the equipment parameters of the flat sheet plant has been finalized by the Federal Government.

Part of the loan package would be used to complete the first phase.

The Ministry of Mines, Power and Steel has been pressing the Budget and Planning Ministry to provide a working capital of about 106 million for Ajaokuta in order to speed up the completion of the first phase.

Alhaji Abubakar Alhaji, the Minister of State for Planning and Budget who led the Nigerian delegation to the annual meeting of the World Bank signed the agreement for Nigeria.

The source added that further directive from the World Bank would top the agenda of both the Ministry of Budget and Planning and the Ministry of Mines, Power Steel in the meeting of the National Council of Ministers which begins today.

The idea of an integrated iron steel plant was mooted in 1953, while between 1960 and 1970, proposals were invited from foreign firms and responses got from USSR, UK, USA, Canada and West Germany.

The contract was finally awarded in 1979 to three companies. Soviet firm Tajron Export for technical

aspect of the construction and two French civil construction firms, Fougeroul and Dumez respectively.

Work on the project which was being funded by the World Bank has been slow because of financial constraints.

The World Bank had, earlier in 1987 when it set up a panel to audit the project, said that the steel project would not be viable if not re-structured to produce flat sheet. It therefore suspended funding the project.

The Minister of Mines, Power and Steel, Air Vice Marshal Nura Imam, however, said last month during submission of the report on the "in-house panel set up to investigate the incessant petitions emanating from the steel company that the Ajaokuta Steel Company can not be abandoned as advised by the World Bank because more than 28 billion has been sunk into it.

Air Vice Marshal Imam said the government had, to slow down the project in view of its lean purse, which resulted in the rescheduling of the completion of the first phase of the project to 1991.

Senegal

* No Deal With PS; PD/MPT Wants Elections

34190009C Dakar *FAGARU* in French
Sep 89 p 2

[Article by Mamadou Ndiaye: "To Avoid Deadlocks"]

[Text] Our country is marking time at a critical period in its history. As it sinks further in the already acute government crisis, it must also face border conflicts in the north and in the south. The social and even the national fabrics may burst and this is further complicated by threats against peace and the integrity of the Senegalese territory.

Faced with this explosive cocktail of serious challenges, political problems are increasingly expressed in dramatic tones: "the country is threatened; we must do everything to save it." The echo, nearly unanimous, becomes increasingly insistent.

Although these problems are perceived, and, therefore, can be dealt with, in diverse manners, they are now permeating the words and deeds of political parties rooted in national realities.

Our party does not have a miracle solution to offer. It is not composed of trickster politicians nor of followers of spectator politics capable—theoretically—of changing a reality into its opposite in no time at all. Only, desirous to go beyond the surface and grasp the movements that are really promising, we took care to analyze new data thoroughly, so as to define in each case a political line that will avoid deadlocks and steer us toward democratic and national solutions to the problems of our society.

Their inability to grasp the complexity of the present situation, and their ineffectiveness in paving a credible way toward an alternative to the current regime has caused some segments of the opposition to turn to the PS [Socialist Party]. Some have forgotten all their past convictions, up to and including the reason for their existence as [an] opposition party, and view the PS and its power as our country's inescapable fate. What they say is that the failure and crisis of the government—which cannot be denied—are only normal because no other government could have avoided them considering the "scarcity of resources," the "unfavorable international environment," etc. In short, the same old story. Obviously, after that, all there remains to do is clamor for a national rally around the PS. Opportunely, the PIT [Party for Independence and Labor] seized the occasion of the conflict between Senegal and Mauritania to do just that.

Our party unequivocally rejects any rallying to the PS, whether open or shamefaced; it does so not out of dogmatism but because no good solution for the country will come of it.

Those who leave the struggling opposition, this time not to be in the PS but to be with it, adding their votes and their efforts to those of the PS, are breaking—albeit only for a time—the cohesion of the national democratic front and, for a moment, instill feelings of skepticism in the masses. In doing so, they help delay democratic solutions to the crisis and support the PS strategy of deferment. Obviously, all this can lead only to a further serious deterioration of the country's political situation. In this case, and for the time being, none of the serious problems experienced by our country has found even the beginning of a satisfactory solution. Quite to the contrary. Meanwhile, the united government, despite the unilateral disarmament of the PIT and the holy alliance proclaimed to save the country, has not granted any truce: neither in the layoffs, nor in the dismantling of the levers of our country's economy and domestic production plant, much less in its egocentric way to conceive democracy.

The liquidation of the national banks, to be taken over by foreign interests, the incipient deflation that threatens thousands of government employees, the exclusion of the most representative democratic youth movements (MDJ [expansion unknown], UJT [expansion unknown], CED [Dakar Students Coordination Committee], CES [Coordination Committee of Senegalese Students], UDED [expansion unknown], etc.) just because they resisted the dictate of the JS [expansion unknown], the state-controlled media's decision not to report on the activities of the parties and organizations that refuse to become PS satellites...these are some of the facts that denote an intensification of the antisocialist and anti-democratic choices of the PS government.

On what, then, do those who speculate on a renewed progressive orientation of the PS base their opinion? Certainly not on the actions of the party, which itself

made the bitter experience that any internal change is impossible as long as the regime remains antidemocratic.

The PS Attempts To Deal With Its Crisis

All in all, this once again shows that the PS power bases are no longer adequate to allow the emergence of a democratic society or to promote a national development commensurate with our people's need for personal development.

Actually, a thorough examination of the practices and plans of the regime discloses that it is not drawing any prospects beyond dealing with its crisis. This is why our party has engaged into, and pursues a process of unity and struggle for change, ultimately in order to pave the way for a regeneration of the country. In this context, the impetus of political battles in our country, especially around the 1988 elections, developed and imposed the people's will and struggle for change as the essential fact in the national situation. Anyone who wants to get out of the crisis, must of necessity take this fact into account.

The people no longer want to be governed as they have been governed until now, and they cannot be governed by a government that is falling into decay. In view of this, the repressive measures or attempts at corruption aimed at the political elite in the opposition become laughable.

No Shady Deals

In view of the extreme seriousness of the country's situation, political responsibility can in no way imply a renunciation of the people's demand for change, much less a repudiation of their political identity. It means acting to promote a genuine democratic, peaceful, and durable solution to the political crisis, which has deadlocked the country for nearly 2 years. Because we were aware of our responsibilities, we agreed to join allied parties in a national round table. We had to find acceptable compromises to spare our country and our people the tragedy of bloodshed, the spiral of violence. We do say "compromises," not shady deals that would amount to a capitulation before the PS's conflicting choices, and betrayal of the people's interests. The actors on the Senegalese political scene are familiar with our proposals. First, reform of the election code to guarantee the clear and free expression of the people's will, and, as a corollary, effective democratization of political life in order to achieve genuine pluralism.

Then, the organization of new elections and compliance by all with the verdict of the polls. Once the election dispute has thus been broken, and pluralistic democracy restored, the programming dialogue will find sound bases on which to take place. Then, alliances or the arising consensus cannot fail to lead to a credible and viable union government. The PS has prevented any serious discussion on these questions, and as a result it has caused the national round table to fail.

Otherwise, a so-called national union government would be just the product of mere political schemes at the top, which would not reflect the condition of the political field and the deepseated will of the masses. At best, such a government would continue to deal with a tense domestic situation, as most of the problems would persist. Then, once the first illusions are dissipated, it would soon find itself in the impossible situation that the PS government is now experiencing.

This is why we say that a National Union government is not yet the order of the day.

* PS Failure To Consult Slows PIT Talks

34190010A Dakar WAL FADJRI in French
22 Sep 89 p 8

[Article by A. Camara: "PS (Socialist Party)-PIT (Party for Independence and Labor): And One Makes Four"]

[Text] Initially scheduled for mid-September, the fourth PS-PIT meeting was canceled because of Amath Dansokho's prolonged absence from the country for health reasons. Still, it has not been postponed indefinitely. The two parties have set a new date but, within the opposition, the PIT feels increasingly isolated in its initiatives and experiences the need to speed up negotiations.

Where is the PS in its initiatives aimed at the opposition parties, to hold a second national round table on political issues? The fourth PS-PIT meeting, scheduled for 26 September, will, in particular, make it possible to assess how far the ruling party has gone in broadening the democratic dialogue to include all formations without exception. Certainly, the economic and social problems that challenge the country (bank restructuring, personnel deflation, situation of the repatriates from Mauritania, etc.) will not be overlooked during this fourth round, but it is on the evolution of the democratic dialogue that the future of the process set in motion by the PIT last June will hinge.

During a previous meeting between the two parties, on 11 July, the principle adopted was that the PS would resume its dialogue with the opposition in order to definitively leave behind the disputes that arose after the 1988 elections, and at last discuss the future. For this, the ruling party had promised to create the conditions required to dispel the suspicion and distrust of the opposition, through bilateral negotiations and consultations with all parties. It was on such a commitment that the socialist and communist delegates (headed by Jean Collin and Amath Dansokho, respectively) parted on 11 July; their next meeting was scheduled for mid-September.

What happened in this respect in 2 months? Pending the next evaluation meeting, the PIT leader, Amath Dansokho, feels that "the government is still marking time, and problems in the opposition should not be underestimated." For instance, a second round table should

consider, among other things, the revision of the Election Code, the preparation of a National Charter, and regulated access to State media, all questions covered in bills introduced by the government. In principle, these bills should be sent to the political parties for amendment, and then submitted to the National Assembly's for approval. But President Diouf did not wait for these observations to convene an extraordinary meeting of the parliament this Friday 22 September: the parliament will be asked to approve several bills, including the Election Code revision bill. Undoubtedly, the PIT was caught unprepared. In addition, it goes without saying that the fact that this approach excludes the largest political fringe is not the ideal solution to dispel the suspicion and distrust that caused the failure of the first national round table.

In the opposition, people also seem to follow a reasoning fraught with continued mistrust, resulting in a refusal to make (or resume) contact with the government. Amath Dansokho is certainly not gaining followers among his partners in the opposition; he stated: "If I had not received these bills, I would have demanded them from the PS, because that is our right. Besides, the 1988 national round table was initially organized for the PS and the PDS [Senegalese Democratic Party] only, but we challenged them and went there without an invitation, because we had the right to do so."

Does that mean that we should be optimistic as to the issue of the PS-PIT consultations? In other words, is the PS capable of bringing everybody around the negotiation table? After the episode of the Election Code bill, we certainly have reasons to be pessimistic, but according to the PIT general secretary, "there is no reason not to believe in it, especially as liberties are in jeopardy and we could be in a worse situation than Benin. We are not immune to dictatorship. Therefore, we cannot afford to act irresponsibly." This is why, he went on, his party does not intend to break its contacts with the PS, even if the fourth round should lead to an acknowledgement of disagreement. At most he would consider a campaign of information, "to show the Senegalese what happened, so they can decide on which course to follow."

* Bank Crisis Restricts Credit to Firms

34190010B Dakar WAL FADJRI in French
22 Sep 89 pp 17, 19

[Article by Mamadou Ndiaye: "Bank Restructuring: Order in Chaos"]

[Text] Traditional banks are closing down. Those about to merge are freezing assets. Designated victims: small and medium-size businesses. Everybody is eager to see the deadlock end with restructuring, which seems to possess many qualities save one: imagination.

Four banks (SONAGA, SOFISEDIT [Senegalese Financial Company for the Development of Industry and Tourism], BNDS [Senegal National Development Bank] and Assur-Bank) shaken by the depth of a cash-flow

crisis are faltering! For months, the question has been to find a solution to this difficult problem and avoid getting bogged down. All the scenarios proposed boil down to restructuring the banks, and this remains the focus of the Senegalese Government's monetary policy. These four banks—dissolved or merged, whichever one prefers—are a cause of deep embarrassment for the economic-financial microcosm. The announced restructuring is not yet effective, but hardly has it received the finishing touches that it is already in a bad way.

The main victims: the small and medium-size businesses (PME) that no longer know where to turn. Freezing of assets, recourse to overdraft nearly impossible, irrecoverable debts. These are as many obstacles that, added to the authorities' stalling, put the PME in a financial storm. Many of these PME, issued from the "master's" generation, were financed by SONAGA, which has been targeted as a "red" bank, just like SOFISEDIT, BNDS and Assur-Bank. And there is the rub. The demise of the PME's leading bank will alter the industrial landscape.

True, the profile of the new bank to be created has not yet been defined. But the first signs point to the prospect of a redeployment. Hence, the anxiety of young business managers. There are so many questions that they are almost on the brink of apoplexy. Will the new structure take over previous commitments? Will it come up to the aspirations of young promoters? Will it take into consideration the specific nature of the Senegalese PME? All these questions reflect the trouble of young managers suddenly affected by the USB [Senegalese Banking Union] syndrome. The Credit Lyonnais, the progeny of the USB, actually took over only the assets of the late USB, leaving the liabilities.

Mamour Cisse, chairman of the National Council of Young Senegalese Managers (CNJDS), is positive: "The Senegalese PME is characterized by a lack of nonborrowed capital, of collateral. If you confront it with a commercial-type bank bound by constraints of immediate profitability, you are distorting the economic interplay." Can you finance development with overdraft facilities? "Nonsense!," Alassane Lo, the CNJDS general secretary, thunders, pointing out: "You cannot encourage private initiative upstream and create obstacles downstream." That makes sense. Obviously, young managers fear the advent of a commercial bank brought about by the decline of the previous entities, to fill a slot on the monetary market. The monetary market is operating in the short term, while the financial market is geared to investment.

The Senegalese banks' stubborn preference for the monetary market causes most PME to apply for short-term loans, as nothing else is available, to finance intermediate and long-term operations. This is an unsound practice in business financial management, and it also penalizes private investments and results in a constant cash-flow crisis. As a result, 52 businesses are on the brink of bankruptcy. Others can no longer honor their

commitments and are haunted by the fear of an imminent closing of their operations. Sos-Transit, to take an example, is one of them. In addition to the reduction in revenues that followed the increase in customs duties, the company is now substituting for its bank in paying the Treasury that rejects the SONABANQUE certified checks. These checks did not clear and Sos-Transit had to pay cash in order to renew its bids at the close of the fiscal year.

Other smaller businesses find themselves in the same situation. As this month ends, many of them may be in trouble, faced as they are with fixed expenditures. It is to be feared that the chorus of lamentations may become so general as to focus all frustrations in a sector that has been battered by the restructuring storm.

To come back to the banks, deflation is soaring. Brandished like the sword of Damocles over the head of the personnel, it has brought about an unexpected state of affairs: the length of the suspense (9 months!) has led to a complicity between managers and employees (they all feel concerned) who stick together in their trial. Yet, according to Lamine Cisse, SODEVICO general manager, the denouement could have been hastened. There were three parameters: evaluation of the position of the banks where deflation was to take place; study of the form of the new structure; and a study of the types of scenarios that would enable the State to tone down excesses and, thereby, ensure that the victims of deflation would lose their jobs at the least cost. "Bank liquidations would not be very painful, especially since the resulting restructuring might create new and attractive products," Lamine Cisse stated.

To put it plainly, the government's hesitations and the closing of the traditional banks do not make for much optimism among the young class of business managers, stunned by the spectacular turnabout, which is taking place under their eyes. "We are far from being in a good position," Mansour Ndoeye, the head of the Sos-Transit legal department stated, and he also admitted to being confused by this tangle of problems. In time, there will be a problem of confidence between banks and business circles. Already, the SGBS, the BICIS [International Bank of Commerce and Industry of Senegal] and the BIAO [International Bank for West Africa] have raised their accounts by cleverly getting rid of smaller account holders. These banks also do not intend to court the Senegalese PME. They do their best to steer clear of them by imposing conditions that cannot be met. Hence, the anger of the young managers who, like their chairman, Mamour Cisse, complain that the Senegalese banking system is still clinging to obsolete financing criteria when the environment is changing.

The boom on peanuts and phosphates is now a thing of the past. All the more so as the drop in the prices of these two revenue items has a well-known incidence on the solvency of national banks. The imperative necessity for business rehabilitation, furthered by a dynamics of creation, is tolling the bell for credit restrictions. "They are

like shackles," Alassane Lo complained. "Then we might as well replace them with more subjective credit, selecting the man instead of the project?" Mamour Cisse wondered. "The basis for granting credit," Lamine Cisse added, "is trust. Now, the inflexibility of the rules for granting credit has encouraged the emergence of an informal savings network, which does much damage to the banks." All agree to think that credit must reflect the sociocultural context. Otherwise, we would witness a rupture in entrepreneurial expansion.

Can Senegal give up its ambition to increase the density of its PME fabric? Young managers do not rule out this possibility if the government does not reconsider its intention to postpone the creation of a development bank. After analysis, the State implicitly condones the banks' refusal to finance investment and yields to the liturgy of bankers eager to ensure a fast rate of capital turnover.

Is there any chance that the situation could be improved before the October deadline? At the rate things are going, we may doubt it, as the lack of understanding still prevails. Nevertheless, it is urgent to start negotiations to ensure communications among all the actors of development. Although unavoidable, restructuring seems in many respects to be a drastic solution. At least 400 bank employees and managers will lose their jobs. And the new credit guidelines will penalize many PME and reshape medium-size businesses by reducing their financial striking force. Added to the dissuasive interest rates offered by the banks, all these problems should bring about a rapprochement of employers organizations in order to arrive at a consensus. The CNJDS is stirring. The CNP [National Employers Council] remains fittingly silent, waiting probably for the forthcoming publication of its memorandum on economic conditions. Meanwhile, chaos imposes...its order.

Tormented by remorse after the sudden increase in customs duties, the CNJDS wishes for concerted action, "to speak with one voice." But it would not hesitate to go it alone if circumstances demanded it.

* Political, Social Needs Spur Customs Increase

34190010C Dakar LE SOLEIL in French
28 Sep 89 p 2

[Article by Amadou Fall: "Duties and Tax Adjustments: An Answer to New Demands"]

[Excerpts] Appreciably lowered twice, in 1986 and in 1988, import duties and taxes and the VAT [value-added tax] went up again a few days ago, for certain products. Will the duties and tax adjustment thus decided in the two orders dated 25 August mark a break with the NPI [new industrial policy]? What new demands is it expected to meet? Will the additional effort required of taxpayers, businesses, and households be equitably distributed among all of the nation's components? Do prices really have to change constantly? Questions and answers...

In the development equation, the fiscal parameter is one of the most flexible. It could not be otherwise, as it is the result of a continuous attempt at keeping the balance between the State's need to acquire optimum resources to fulfill its public service mission, the possibilities of businesses and households that are thus called on to make a contribution, and the economic and social constraints and demands experienced in the country. From this perspective, taxation becomes a regulating tool designed, on the one hand, to spread the burden evenly on the nation's various components and, on the other hand, to provide relative protection to businesses in order to improve their ability to meet foreign competition. For households, the benefit should be that of having a range of consumer goods of acceptable quality, at prices commensurate with their purchasing power.

The Senegalese fiscal policy continues to be implemented according to this sum of concerns. From the time the country attained international sovereignty until the turn to liberalism started in 1986, taxation was particularly heavy, by design. The national economy had to be rebuilt on endogenous bases and geared to the common interest. But the actors of this projected development were lacking or else just in an embryonic state. That was because they had been ignored too long by colonial interests. [passage omitted]

The new economic policies—in particular the new industrial policy—enacted and implemented as a result of the structural adjustment, aim to correct these and other distortions. The fiscal variable was therefore adjusted, with the reduction of the fiscal burden started in 1986. From 1986 to 1988, the duties and taxes collected on industrial input decreased from 50 to 45 percent of the import value. Those on products likely to compete with locally manufactured products were reduced from 98 to 68 percent during the same period. On luxury items, the importation of which is not a priority, overall duties and taxes were reduced from 128 to 92 percent. The reduction also affected all other products not included in the three abovementioned categories. Taxes on these items were reduced from 86 percent until 1986 to 56 percent in July 1988.

The customs administration and the Ministry of Economy and Finance found that this tariff "disarmament" resulted in an increase in customs receipts, as fraud declined significantly. The range of consumer goods offered on the market was also broadened, and prices became relatively more affordable. Competition from these goods also acted as an incentive for certain businesses, although others failed to adjust to the new deal. But if all this is so, where is the justification for the recent readjustment of import duties and taxes and the VAT?

We must agree with the minister delegate to economy and finance, Mr Moussa Toure, that new data suddenly came and mowed down the young shoots of the gains we just mentioned, achieved by the new fiscal strategy

implemented since 1986. In view of the crisis exacerbated by political and social considerations, which has gripped the country since the events that followed the elections of 1988, the State had to meet new financing needs, in particular to satisfy the wage and material claims of health workers, teachers, and students. Our disputes with our neighbors in the north and in the south also entail new expenditures. All this amounts to billions of francs. But fiscal revenues, which were supposed to follow, unfortunately decreased because the economy is bogged in the red, and because businesses are closing and the banking system is experiencing serious structural and cash-flow problems. The following disclosure is enlightening; it comes from Moussa Toure: The Treasury has 20 billion CFA francs (the equivalent of 2 months' salaries for all government employees) frozen in these banks' coffers. The manufacturers who used to supply goods on credit to Mauritanian traders still owe the Treasury, in

theory, 1 billion francs in VAT. But it would be unseemly to ask them to pay, as the goods, though billed and shipped, have not been paid for, and for good reason. At any rate, this uncollected VAT further increases the Treasury losses.

What can be done to fill the Treasury and thus enable the government to meet its obligations correctly and adequately? Between freezing salaries for months, as is done in other climes with the unfortunate consequences we all know about, and using without abuse the regulatory instrument of a fiscal adjustment, the government did not hesitate. The second solution was imperative. And the State adopted it while bearing in mind, as the Ministry of Economy and Finance indicated, that both households and businesses should equitably contribute to the formation of the additional resources it requires.

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